FBIS DAILY REPORT

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ALFONSIN TO DISCUSS FOREIGN DEBT IN QUITO

PY311927 Madrid EFE in Spanish 1649 GMT 31 Jul 84

[Excerpt] Buenos Aires, 31 Jul (EFE) -- President Raul Alfonsin will meet with his Colombian and Venezuelan peers, Belisario Betancur and Jaime Lusinchi, respectively, to review the Latin American foreign debt issue. The meetings are scheduled to take place in Quito during the inauguration of the new Ecuadoran president, Febres Cordero, which is scheduled to take place 10 August, according to the spokesman of the Argentine Foreign Ministry, who has also stated that the talks will last until the following day.

Foreign Minister Dante Caputo has said that he will not travel to Quito because at that time he is to receive his PRC counterpart, Wu Xueqian, who will arrive in Argentina on an official visit as part of a Latin American tour.

CAPUTO BRIEFS CONGRESS ON BEAGLE NEGOTIATIONS

PY310352 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2156 GMT 30 Jul 84

[Excerpts] Buenos Aires, 30 Jul (NA) -- Foreign Minister Dante Caputo tonight said that Argentina is seeking the complete "enforcement and respect" of the bioceanic principle in its negotiations with Chile. He made the statement at the end of extremely long briefings he gave today at the Foreign Relations Committees of the Senate and the Chamber of Deputies. His briefing at the Chamber of Deputies was marred when the Peronist congressman walked out.

"It is our objective," Caputo said, "to preserve complete respect and enforcement of the bioceanic principle and, to the extent that we have worked toward this objective, I believe we are achieving it."

Caputo, who made these remarks shortly before leaving the Senate tonight, said that one of the main objectives of his meetings with the deputies and senators was "to emphasize the real solutions that have now become feasible in keeping with historical facts" in the dispute with Chile.

Justicialist Senator Adolfo Rodriguez Saa tonight said that the Justicialist walkout from the Chamber of Deputies shortly before the initiation of the meeting with Caputo was prompted by "different circumstances" in the procedure followed to set up the foreign minister's briefing. Rodriguez Saa said that while "the foreign minister decided on his own" to go to the Chamber of Deputies, he was invited to go to the Senate: "and therefore, we agreed to his logical request to keep his briefing secret." He added: It is logical and wise to keep the lid on such a significant political issue on which Argentina and Chile will make a decision. Until the final treaty is ready, it would not be wise to disclose its terms.

In his briefing at the Foreign Relatins Committee of the Chamber of Deputies, which began shortly before noon and lasted more than 4 hours, Caputo said that the papal proposal on the border conflict with Chile over the Beagle Channel "has not yet been completed." He noted that among the issues which are still being negotiated is the future projection of both countries into the Antarctic and the Atlantic.

This remark on the current status of the negotiations was disclosed by Radical Deputy Federico Storani, chairman of the Foreign Relations Committee, after Liberal Deputy Ricardo Balestra gave a brief account of Caputo's comments on the subject.

Caputo gave a 4-hour secret briefing to the national deputies, 1 hour behind schedule as a result of the Peronist opposition to the briefing being secret.

Storani termed the Peronist walkout "unjustified." Cesar Jaroslavsky, leader of the Radical Bloc in the Chamber of Deputies, described the walkout as "incomprehensible" and noted that "if the foreign minister asks that the briefing be secret, it either must be secret or there should be no briefing."

Regarding the papal proposal, Storani said "there are issues which are being negotiated on which the foreign minister listened to suggestions from the deputies as to the possible alternatives" to reach a final agreement.

Radical, Intransigent, Liberal, Centrist, and Christian Democrat congressmen who attended the briefing agree that the signing of a protocol or a pre-agreement will take place "in the next few weeks" before the terms of the agreement are publicly disclosed, Storani said.

Points of Proposal Revealed

PY310310 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0020 GMT 31 Jul 84

[Text] Buenos Aires, 30 Jul (NA) -- Pope John Paul's proposal for a solution to the border dispute with Chile on the Beagle Channel is based on the recognition of Chilean sovereignty over Picton, Lennox, and Nueva Islands and over the isles that are located to the southwest toward Cape Horn. The debate is now centered on Chile's future maritime jurisdiction toward the Atlantic Ocean and the Antarctic.

This was revealed tonight to NOTICIAS ARGENTINAS by congressional sources, who refused to reveal the distances in miles of maritime sovereignty around those islands upon which Chilean territorial seas will be projected.

According to the sources, today Caputo maintained in his report to the two chambers of Congress that the papal proposal has been improved in relation to the proposal that the mediator made in 1980, at least from the Argentine viewpoint.

The sources added that the only point that has to be defined is that of the maritime mileage of Chilean jurisdiction around the southern coasts within a 90-degree quadrant that takes in an angle that runs east to south.

The sources also indicated that Chile will obtain a larger number of maritime miles of sovereignty than the 3 miles indicated in a press report which was recently leaked to the public and which included an alleged map of the mediation. Chile will also obtain maritime jurisdiction over a quadrant that is made up of an unspecified meridian and a parallel that passes "below Cape Horn." This is a new detail regarding the mediation.

Argentina's jurisdiction will start at that point south of Cape Horn, toward the east and south, exactly from the meridian line of Cape Horn.

Argentina must make the concession of giving some territorial seas to Chile south of Cape Horn, a point that had been previously claimed by our country as the bioceanic dividing line, in order to obtain full jurisdiction over the Atlantic, starting from the meridian that will limit Chile's territorial seas to the east. Thus, Argentina will achieve the elimination of the "sea of peace" that is contained in the 1980 papal proposal and of the so-called "Zone of Shared and Common Activities" that was drafted afterward.

Answering a NOTICIAS ARGENTINAS question, the sources stated that the proposal will "perfectly establish Argentine jurisdiction over the Atlantic, and this will prevent Chile from demanding, according to the International Law of the Sea, new maritime projections toward the Atlantic and the Antarctic."

JUSTICIALISTS ISSUE COMMUNIQUE ON BEAGLE DISPUTE

PY311426 Buenos Aires TELAM in Spanish 2345 GMT 30 Jul 84

[Text] Buenos Aires, 30 Jul (TELAM) -- The Justicialist Party Supreme Command today issued a communique noting that the only commitment that it has contracted with the government regarding the border dispute with Chile is that pertaining to Point 11 of the agreement signed by political parties on 7 June 1984 which establishes the basic acceptance of the papal mediation to overcome the dispute. The text of the communique reads as follows:

"Regarding the presidential decree through which the government has called a consultation so that the people may express their opinion on the southern border dispute, the Supreme Command of the National Justicialist Movement reports that the only commitment that it has contracted with the government regarding the Beagle border dispute is that established in Point 11 of the agreement signed on 7 June 1984, which reads:

"The acceptance of Pope John Paul II's suggestions and proposals for peace on the Beagle conflict will allow a peaceful and final solution to our border conflict with Chile. It will also help ratify the bioceanic principle and our rights over the Antarctic and begin the consideration and approval of several projects of economic and social cooperation and intergration between the two nations."

The communique is signed by members of the Justicialist Party Supreme Command Pedro Arrighi, Juan Labake, Humberto Martiarena, Emilio Mondebli, and Jorge Camus.

TROCCOLI DISCUSSES ECONOMIC AGREEMENT, MEASURES

PY311950 Buenos Aires CLARIN in Spanish 29 Jul 84 pp 6,7

[Interior Minister Antonio Troccoli "exclusive" interview by CLARIN -- date, place not given]

[Text] [CLARIN] Mr Minister: The president and the economy minister have outlined the general characteristics of the government-labor-business agreement; they have expressed the government's intention to reach an agreement. You are a member of a working committee charged with implementing the measures referred to by the president and the economy minister. What are these measures?

[Troccoli] Some of them are already about to be implemented by the Labor Ministry, which concluded a sort of preagreement with the labor unions regarding a minimum salary with an escalation clause and the conventional minimum salary beginning in August.

Also a mechanism has been set up for the participation of interested sectors in analyzing the cost-increase factors that every month these sectors can give their opinion on the following month's salary and price increases for the business sector. These consultative, advisory mechanisms will permit an active and dynamic participation in two important aspects of the economic equation, that is, salaries and prices.

As for the agreement, we are holding secret preliminary talks. In principle, however, we have proposed a methodology to the labor and business organizations.

We believe that this agreement can be very useful to fulfill two objectives. One has to do with the short-term situation which calls for an all-out fight against inflationary expectations that are practically doubling the monthly inflation rate. This phenomenon, which seems to be unprecedented, is recurring every month in the Argentine economy. If we feed into a computer the figures representing the real imbalances of the economy -- fiscal deficit, technological backwardness, and any other slippage in the structure of production -- we would come up with a monthly inflation of 7-8 percent, no more than 9 percent. Monthly inflation, however, is running at more than double that rate: 17 or 17-odd percent. The difference above the percentages reflecting the real imbalances of the economy represents the feedback of inflationary expectations that push the real inflation rate upwards. The government-labor-business agreement can be instrumental in a policy for the administration of prices, salaries, public utility rates, interest rates, and exchange rates. Through an all-around action based on the fulfillment of concrete commitments assumed by the agents of production, this agreement can more or less immediately bring inflation down to a level that reflects the real imbalance. We can then have monthly inflation rates of 7-8 percent, which are still high but only half the current rates.

[CLARIN] Mr Minister: What commitments should the representatives of labor and business assume to attain that objective?

[Troccoli] Once the agreement is concluded, the concrete commitments would bind businessmen to increasing prices only to keep pace with real cost increases; workers to asking salary increases corresponding to effective price increases; and the government to holding increases of interest rates, tariffs, and exchange rates to those imposed by real increases or imbalances in the economy. The administration of this course of action is difficult and complex, but I believe that it has possibilities, considering that only inflationary expectations are responsible for inflation rates that are double the real rates.

[CLARIN] And the second objective you mentioned before?

[Troccoli] The second is a long-term objective, beyond the short-term. There is a need to implement a policy for vigorous growth, which calls for a definition of priorities and orientation of investments so that growth can be not only strong but sustained and properly directed. To implement such a policy, the agreement will have to define the behavior and the attitudes of the protagonists. It has to give strong signals to show that the country is growing in key, highly strategic areas, and fundamentally entice national and foreign investors inasmuch as they can identify themselves with the national interests.

This vigorous growth implies the existence of a quantitatively satisfactory level of domestic savings, on the order of 20 percent of the GDP. Even if we renegotiate our foreign debt under the best terms, we will still have a financial burden that will take up 5-6 percentage point of domestic savings, that is, liquid savings for investment will drop from 20 to 14 or 15 percent of the annual GDP. With this rate of investment, growth will be small, insufficient to propel a vigorous growth capable of absorbing the real imbalances of our economy. By defining behaviors, attitudes, variables, and strategies, this call to invest is intended to compensate for the drop in domestic savings available for new domestic or foreign investments. This means that the 5-6 percentage points that will go to servicing our foreign debt should be replaced with new investments. This way, growth will be promoted, imbalances will be corrected, and the country will initiate a process of harmonious, constant, and balanced development with the promotion of strategic sectors, basic industries, regional utilization of natural resources, industrialization of the interior, and foreign trade, emphasizing exports as the legitimate instrument for financing our process of development and, at the same time, for servicing the foreign debt that will affect the country's balance of payments for many years to come.

[CLARIN] Has the government set a timetable to achieve this agreement?

[Troccoli] I believe that it will take no less than 30 days perhaps more, to conclude this agreement. To achieve the first objective regarding the short-term situation, the head-on attack on the inflationary expectations will have to be quick to forestall new imbalances in the structure of relative prices.

[CLARIN] Do you perceive any receptivity in your contacts with the labor and business sectors?

[Troccoli] The strategy of the agreement has been well received. I believe that some sort of consensus in principle is possible. Of course, when we enter into detailed discussions on this line of action, there will be arguments and different viewpoints will have to be accommodated. For the time being, we will leave out the third stage of the agreement, which will come later, area by area, sector by sector. Once the first two stages of the agreement that I have defined as short-term and long-term objectives are completed, there will be a third stage where each sector will define commitments, objectives, policies, and administration of salaries and prices in a way that will permit its development: the metallurgical sector, the construction sector, the meat production sector, the agricultural sector; in sum, all the sectors that make up the country's productive apparatus. The third stage will begin after the first two, which make up the broad framework of the agreement, are completed.

[CLARIN] It has been said that the economy minister's speech did not meet the expectations of some sectors in light of the imminent agreement. What is your opinion?

[Troccoli] The minister said what he was in a position to say. The complaints were out of place, because some definitions are still pending, such as those regarding the agreement with the IMF and the refinancing of the foreign debt.

The economy minister could not go beyond what he said, because the negotiations are secret, obviously, they have to be, and consequently he does not yet have the fundamental information to anticipate the performance of the external sector: whether we will have to have our own foreign exchange to make payments when they fall due or whether we will have the support of the IMF. This is a fundamental piece of information that the economy minister does not yet have, and so he cannot anticipate anything. He cannot say that the result of the negotiations with the IMF will be positive because it might turn out to be negative. Another piece of information that he does not have is related to the idea of the government-labor-business agreement that the government launched at the same time. And since this calls for sitting at a table to work things out, the minister could not anticipate a policy that still depends on discussions and yet-to-be-made agreements before it becomes not the government's policy but the policy agreed on by the country's economic agents themselves.

[CLARIN] Do you believe that the government is determined to deal with its own internal readjustment, privatization, expenditure cuts, etc., in such a way as to set an example of sacrifice for the private sector?

[Troccoli] Of course, the government must contribute with its share of austerity and efficiency to keep the economic process on its true course. I want to point out that during the first half of this year, the government has made a great effort and has administered the public sector with great austerity. It has halved the issuance of paper money that can be traced to the treasury's demands, although inflation continued as high as in previous periods. This demonstrates that both monetary and fiscal restrictions are necessary, absolutely necessary, but not sufficient to effectively control the inflationary process in 1984. So we really need this government-labor-business agreement in order to vigorously attack the inflationary expectations that hinder the possibility for a rapid deceleration of inflation.

[CLARIN] How will this dialogue between the government and the labor and business sectors be formalized? In a final meeting with the president, in a final document, or in the creation of a permanent agency like the social and economic council that has been announced so many times?

[Troccoli] The last two possibilities can be considered. I believe that we have to define all these questions that I mentioned about the agreement. The first two stages as well as the third stage, which calls for more details, should be translated into commitments that the parties -- government, labor, and business -- must live up to. This most likely will be made part of an economic policy that will be binding on all the parties involved. Within the framework of this agreement, the possibility of creating mechanisms to oversee compliance cannot be discarded. These mechanisms could also work as think tanks of new ideas and new agreements.

I do not know whether this will lead to the creation of a social and economic council. Right now I am thinking about mechanisms so that the parties to this agreement can participate actively and dynamically so that this valuable tool can be workable for a long time.

CNEA OBTAINS FUNDS TO CONTINUE NUCLEAR PROGRAM

PY311531 Buenos Aires TELAM in Spanish 1436 GMT 31 Jul 84

[Text] Buenos Aires, 31 Jul (TELAM) -- Alberto Constantini, chairman of the National Commission for Atomic Energy (CNEA), today said that the work of this organization will continue and that next year a normal work schedule to carry out current projects will be adopted.

Constantini, after a meeting with President Raul Alfonsin and Economy Minister Bernardo Grinspun, said that during the meeting a decision was made to obtain for the CNEA the necessary funds to reduce its debt in such a way as to make it easier to handle. Constantini added that the funds will permit the continuation of the Atucha II project and other reasonable works so that the CNEA could normally resume its work next January.

PARAGUAYAN EXILE BACK IN BUENOS AIRES FROM U.S.

PY301839 Buenos Aires TELAM in Spanish 1710 GMT 30 Jul 84

[Excerpt] Buenos Aires, 30 Jul (TELAM) -- Paraguayan political leader Epifanio Mendez Fleitas, who was expelled from his country 27 years ago, said upon his arrival today that he was arrested and kept incommunicado for 36 days in 1976, during the so-called dirty war.

In a statement made at Ezeiza Airport upon his arrival from the United States, the Paraguayan politician, who is a member of the Colorado Party, said that he had been held incommunicado for 36 days in Area 233 and that the colonel who was in charge gave him a certificate stating that there was no reason for his arrest and then released him. He added: Later Paraguayan diplomacy forced the Argentine Government to expel me from the country, and so I went to the United States as a political exile, and stayed there all this time.

Mendez Fleitas said that he decided to return to Argentina now because from abroad one has the impression that things have changed here and that the country is again hospitable to Paraguayans.

BRIEFS

TIERRA DEL FUEGO GOVERNOR -- Buenos Aires, 13 Jul (TELAM) -- The Argentine Government has designated Adolfo Luis Sciurano as the new governor of the national territory of Tierra del Fuego, Antarctica, and the South Atlantic Islands. He replaces Ramon Trejo Noel, who died in a plane crash on 15 May. [Summary] [Buenos Aires TELAM in Spanish 1429 GMT 13 Jul 84 PY]

AMBASSADOR TO PORTUGAL -- Buenos Aires, 12 Jul (DYN) -- The Argentine Foreign Ministry has announced that the Portuguese Government has agreed to the designation of Rodolfo Parente as the Argentine ambassador to Portugal. He will replace Carlos Enrique Gomez Centurion. [Summary] [Buenos Aires DYN in Spanish 2323 GMT 12 Jul 84 PY]

UNAUTHORIZED TELEVISION RELAY STATIONS -- Buenos Aires, 12 Jul (TELAM) -- The Communications Secretariat has announced that unauthorized television relay stations will be declared illegal and that their equipment will be confiscated. [Summary] [Buenos Aires TELAM in Spanish 1516 GMT 12 Jul 84 PY]

REPORTAGE ON SITUATION IN CHAPARE REGION

Alvarez Plata Comments

PY311312 La Paz Panamericana in Spanish 1130 GMT 31 Jul 84

[Excerpt] According to Interior Minister Federico Alvarez Plata, the situation in the Chapare region in Cochabamba is completely normal. He added: With the exception of some road barriers that have been set up by the local peasants, everything is normal.

Further Remarks

PY311912 La Paz Cadena Panamericana in Spanish 1700 GMT 31 Jul 84

[Excerpt] Interior Minister Federico Alvarez Plata has denied that the campesinos from Chapare, Cochabamba Department, have seized modern weapons from the Drug Enforcement Agency office located in that region. We do not have any weapons there; that is untrue. Therefore, I reiterate that they could not have seized any weapons, Dr Alvarez Plata pointedly told Radio Panamericana. This is what he said:

[Begin recording] [Alvarez Plata] No, we do not have any weapons. Therefore, they could not have seized anything.

[Question] It is said that the DEA has an office there and [words indistinct]...

[Alvarez Plata -- interrupting] Yes, I have information that there has been a small-scale seizure and that the campesinos seized a few things that the DEA had stored there.

[Question] Do you know the reasons for this?

[Alvarez Plata] No, not yet. [end recording]

Alvarez Plata stated that he had a petition forwarded to him by the Chapare campesinos. They make all sort of requests, Alvarez Plata added, among them the removal of the campesino affairs minister, and the free marketing of coca leaves. Alvarez Plata said the following:

[Begin recording] [Alvarez Plata] The only petition that I have on hand is a 10- or 12-point one that the campesinos have submitted to me. In this petition the campesinos ask for all kinds of actions. To begin with, they ask for 50 tractors, which had been promised to them for their [word indistinct], be delivered to them; that equipment, seeds, fertilizers be delivered to them; that the campesino affairs minister be removed, that the president of the Development Corporation of La Paz be removed; in other words a number of unrealistic [?demands) and other requests that are more or less similar. They have also asked that coca leaves be freely marketed; in other words, a number of issues that we will calmly review to see how this problem can be resolved.

[Unidentified reporter] Concerning the Army's intervention, when will it start?

[Alvarez Plata] I do not know anything yet. [end recording]

'Military Zone' Declared

PY010217 Madrid EFE in Spanish 2250 GMT 31 Jul 84

[By Adalid Cabrera Lemuz]

[Text] La Paz, 31 Jul (EFE) -- The Bolivian Government today launched a frontal assault against the bands of drug traffickers that have settled in the tropical region of the Chapare, located 600 km southeast of La Paz, and it has declared that region a "military zone." Through a supreme decree, the government of President Hernan Siles Zuazo has announced that it will strongly fight the traffic in and manufacture of cocaine that has turned this country into the primary world producer of this drug.

According to an official measure, members of the Army, Air Force, Navy, and police are participating in the operation against the drug traffickers, who have sophisticated weapons and who count on the support of groups of irregulars. Government sources questioned by EFE have stated that the operation has the logistical support of DEA, the U.S. antidrug agency, agents. The United States is interested in the immediate eradication of the traffic in and manufacture of drugs in Bolivia.

Interior Minister Federico Alvarez Plata has stressed that "it is the government's duty to take all the necessary action to eliminate the drug trafficking from Bolivia."

The objective of the decree is to "protect the health of the population, which is affected by the massive consumption of the drug" and to reestablish public order, which has been threatened by the violation of laws. It is also a question of "protecting the lives, work, and wealth of the region's inhabitants," which groups approximately 50,000 campesino families, whose only means of earning a living is to produce coca leaves, the basic ingredient for the manufacture of cocaine.

The cocaine traffickers have declared the tropical Chapare region a "free territory," and they have even stopped government and police authorities from entering the region.

The supreme decree adds that the eradication of the cocaine trade from Bolivia will allow the state to begin agricultural development plans in the region, which will stop the increase in the manufacture of the drug. The government has also ordered that foreigners must be strictly controlled in order to stop them from continuing to lead the activities of drug trafficking in various Bolivian regions. The combined military and police forces have been authorized to destroy cocaine manufacturing plants and to confiscate vehicles, planes, goods, and other assets of the "narcotraffickers." The supreme decree also authorizes the forces of order to confiscate the weapons and explosives from both foreigners and Bolivians, who have turned the region into a real "far west" [in English].

The government has warned that the people who are involved in the training of groups of irregulars will be brought to trial and punished if they try and resist or attack the Armed Forces and the police. In view of the announcement that military forces will enter the zone of operations of the drug traffickers, campesino sectors that produce coca leaves have taken over police posts within the region and they have told the authorities that they are going to take on the "invaders."

The commander in chief of the Armed Forces has been authorized to name the region's military commander, who will outline the operations that are to take place within the next few days.

During the past few years Bolivia has become the nation that produces the largest quantity of cocaine for world consumption. According to details provided by the United Nations, the drug traffickers in Bolivia obtain an annual profit of $1.5 billion. This figure is much higher than what this country obtains from its mineral exports.

The United States, the main consumer of Bolivian cocaine, has pressured the La Paz government to eradicate the coca leave plantations in the country, but Bolivian authorities have stated that "they will respect the traditional consumption of the product by the families living in the Altiplano regions."

Rueda on Antidrug Operation

PY010202 La Paz Cadena Panamericana in Spanish 0000 GMT 1 Aug 84

[Text] The Democratic and Popular Unity government has declared the tropical region of Chapare in Cochabamba Department a military emergency zone. This decision was adopted during a cabinet meeting this afternoon. Information Minister Mario Rueda Pena said that the measure is designed to repress the drug-trafficking bands in the region.

According to the latest data, this illegal business increased enormously over the past few months as a result of ineffective antidrug trafficking measures. Reporting on the decision, Mario Rueda said:

[Begin recording] The decree that establishes the military zone in Chapare includes a number of rules to secure rigourous control over cocaine processing and trafficking in Chapare. As you know, the government lost control of the region some time ago. The government will begin massive, efficient, and energetic actions against drug trafficking. These actions have been carefully planned based on the people's demands for an end to this evil activity and on the need to restore Bolivia's prestige, which has been damaged by the increase in cocaine trafficking. [end recording]

Rueda Pena added that this measure will not affect farmers who earn their living honestly, but that it is designed to eliminate the drug traffickers, who are poisoning the region by producing cocaine.

[Begin recording] This is a specific measure that is basically designed to eliminate the unscrupulous foreigners and nationals who are processing and trafficking in cocaine and causing serious harm to youths in cities such as Cochabamba and Santa Cruz. Their activity has tarnished Bolivia's image abroad because of the increase in cocaine traffic to other countries.

Through the economic power they have and the elements who have infiltrated various levels of society, drug-trafficking bands in various cities and in the Chapare region are trying to deceive farmers and persuade them that the massive antidrug trafficking operations that the democratic government started today are aimed at affecting their interests. This is completely false. I repeat that all peasants in Chapare who are engaged in legal activities such as tilling the land have absolutely nothing to fear. [end recording]

INDUSTRIALISTS PROTEST POLICY, WITHHOLD TAXES

PY311834 Paris AFP in Spanish 1514 GMT 31 Jul 84

[Text] La Paz, 31 Jul (AFP) -- It was reported today in La Paz that the Bolivian National Chamber of Industries, which groups owners of manufacturing companies, has expressed concern over the lack of urgent measures to revitalize the local economy. It has also announced that it will cease paying the government taxes and use these resources to pay salaries. President Siles Zuazo's economic team was officially informed of this decision today, which was approved in an extraordinary assembly held a few days ago. Private industrialists have complained about the highly populist economic policy the government is implementing. They warned that because of the profound crisis affecting the sector, they may stop their activities. Pedro Resnikowski, the president of the Chamber of Industries, said that manufacturing industry owners will not pay salaries for those days in which illegal strikes are carried out.

MORE ARMY OFFICERS DISMISSED OVER KIDNAPPING

PY311321 La Paz Cadena Panamericana in Spanish 1130 GMT 31 Jul 84

[Excerpt] The Army Command Public Relations Office has issued a communique reporting that two military officers have been retired and that six others have been temporarily dismissed. The communique adds that all of these military officers were appointed to the Mariscal Andres de Santa Cruz Army Command and General Staff School.

The military officers in question were dismissed because of their alleged involvement in the political incidents of 30 June, which ended with the kidnapping of President Siles Zuazo.

BRIEFS

SANTA CRUZ MAYOR INSTALLED -- Dr Romelio Antunez Montero was installed on 30 July as the new mayor of Santa Cruz de la Sierra. [Excerpt] [La Paz Cadena Panamericana in Spanish 1700 GMT 30 Jul 84 PY]

MALARIA EPIDEMIC REPORTED -- Santa Cruz, 6 Jul (PRESENCIA) -- More than 20 persons have denied of black malaria [paludismo negro] in several towns located in Vaca Diez Province, Beni Department, local officials have reported in Santa Cruz. The epidemic broke out several months ago. [Exceprt] [La Paz PRESENCIA in Spanish 7 Jul 84 p 8 PY]

GALVEAS MEETS BULGARIAN FINANCE MINISTER

AU311907 Sofia BTA in English 1835 GMT 31 Jul 84

[Text] Brasilia, July 31 (BTA) -- Mr Khristo Khristov, minister of foreign trade, opened talks here with Mr Ernane Galveas, the minister of finance of Brazil. The two ministers are examining aspects of bilateral economic cooperation.

AGREEMENT TO COMBAT DRUGS SIGNED WITH COLOMBIA

PY311538 Sao Paulo Radio Bandierantes Network in Portuguese 1000 GMT 31 Jul 84

[Text] Brazil and Colombia have declared war on drug traffickers. Regarding the international agreement signed between the two countries, the Ministry of Justice has already contacted the Ministry of Finance and the Ministry of the Air Force. The Air Force Ministry will exert firm control over air traffic between Brazil and Colombia. The Ministry of Finance will control the bank accounts of those suspected of being drug traffickers, and the Foreign Trade Department [CACEX] will check the exports of ethyl ether and other products used to manufacture cocaine.

PROMOTIONS OF GENERALS, ADMIRALS ANNOUNCED

PY311930 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 31 Jul 84

[Text] The promotions to the highest ranks in the Armed Forces have been announced. Division Generals Fernando Guimaraes Cerqueira Lima and Rubens Mario Brum Negreiros were promoted to Army general. Vice Admirals Luis Leal Ferreira and Mario Jorge da Fonseca Hermes were promoted to squadron admiral. Air Force Major Generals Luis Goncaga Lopes and Jorge Jose de Carvalho were promoted to lieutenant general. These changes traditionally pave the way for a number of promotions among the high ranks of the Armed Forces.

PDS LEADER TO ASK APPROVAL OF ELECTIONS AMENDMENT

PY271852 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 27 Jul 84

[Text] Social Democratic Party [PDS] Deputy Nelson Marchesan, who is the government bloc leader in the Chamber of Deputies, could now be the main promoter of the direct elections amendment. How things change! Yesterday in Brasilia Marchesan said that he will join the commission of party leaders who will ask the president of Congress to call for a vote on the amendment on 8 August. As everyone knows, the amendment establishes direct elections.

NEVES WILL FOLLOW PARTY PLATFORM ON IMF

PY311541 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 31 Jul 84

[Text] Minas Gerais Governor Tancredo Neves has denied that if he were elected president of Brazil, he would comply with any agreement signed with IMF. In an official note, Tancredo Neves said he would follow whatever is stipulated in the opposition platform.

PINOCHET SAYS PRESENCE PREVENTS 'CHAOS'

PY010231 Madrid EFE in Spanish 0038 GMT 1 Aug 84

[Text] Santiago, 31 Aug (EFE) -- General Augusto Pinochet, who heads the Chilean military government, today said that his being in power has prevented Chile from being driven in to "chaos." Speaking to a group of 150 women presided over by his wife Lucia Hiriart, Pinochet categorically stressed that "the terms of the 1980 Constitution (which he had approved by a plebiscite whose validity has been questioned by the church and the opposition) will be complied with." Concerning the disagreement over the legitimacy of the Constitution, he said: "The terms of the Constitution will be complied with, whether they like it or not, because otherwise we will be driven to chaos."

Under the terms of the Constitution, Pinochet will remain in the presidency until 1989 when, also according to the Constitution, the commanders in chief of the Armed Forces and of the Carabineros will designate a single candidate and call for a plebiscite for his election. The Constitution expressly sets forth that Pinochet himself can be the single candidate for the new 8-year term. Only if the plebiscite gives a negative result will general elections be held 1 year later (1990) with several candidates in a democratic fashion.

In the speech he addressed to the woman's group, Pinochet also said that "we are not using a soft hand; we have adopted the right attitude because we cannot adopt either radically strong or soft positions." He also stressed that "I did not accept political parties within the government because that would have divided us, while the way we are doing things we are maintaining the notion of a single united nation."

INTERIOR MINISTER DISCUSSES POLITICAL OPENING

PY312104 Santiago Domestic Service in Spanish 2300 GMT 30 Jul 84

[Text] Interior Minister Sergio Onofre Jarpa has emphasized that he had never intended to conduct a political campaign on his own behalf. He made these remarks at a press conference during which he also referred to the statements made by Jorge Lavandero, a member of the Democratic Alliance [AD], who disclosed that he has reached an eight-point agreement with Jarpa including the derogation of Article 24 and an end to exile.

Jarpa recalled that in (Lesparetto's) home Lavandero referred to several measures that the government should adopt and that Lavandero then delivered a document to him containing a program with constitutional and legal changes. This is what Jarpa said:

[Begin Jarpa recording] The interior minister is empowered with the right to accept commitments of this nature and Lavandero has enough of a following to be considered. Lavandero, who is dreaming of leadership, has again talked about an agreement. I have no time to dabble in politics with him. I only regret that Lavandero confuses the good manners of listening to him with an imaginary agreement aimed at involving the union structures of Proden [National Development Project]. [end recording]

The minister then went on to talk about the formation of a party that would support the government. He said that all kinds of comments have been made on this matter, but that these comments do not agree with what he has said. He explained that this government, owing to its structure and objective, does not need to reach an agreement with any political party. He emphasized, however, that to ensure stability the country needs a political movement that will project into the future the ideas and projects of the present government.

The minister then alluded to some sectors critical of the government who want to get hold of some municipalities. Jarpa said: I cannot imagine intendants supporting the opposition. He called on the reporters to ask the intendants what party they belong to and then to become familiar with the declarations made by some party leaders.

A reporter then asked Jarpa the following question: It has been reported that you planned a movement supporting the government, a movement supporting Sergio Onofre Jarpa. The interior minister answered the question by saying that he has never intended to conduct a political campaign on his own behalf. He said:

[Begin Jarpa recording] I believe that this is the worst thing a person can do if he really understands political problems and feels committed to the future of Chile. I am not and will never be a candidate for anything. I am working for my country because I want the national project proposed by the government to succeed, a project that is now being implemented. I want stability and freedom to work, to produce, and to create. If possible, I want my children and nephews to live in a free and prosperous nation, and it has never crossed my mind to create committees, groups, parties, or movements at the service of a person and certainly not at my service. Anyone who acts on behalf of personal interests must be narrow-minded, politically small-minded.

It has been justly said that it is always easier to criticize than to create or to build. If I were interested in getting support for a position of leadership, I would not at this time of difficulties expose myself on behalf of the government. It would be much easier to propose solutions from outside the government by trying to be on good terms with everyone, praising everyone's ambitions, instead of clearly stating things as they are [words indistinct] which many people do not like.

And this is what I am doing, and I am doing it because I am convinced that this is the best way to serve Chile, the people of Chile. Therefore, if I have any ambition I am using it at the service of my country. This is the only thing that can spirtually satisfy me and my position at the service of the Chilean people. [end recording]

Commenting on another matter, Minister Jarpa pointed out to him it would be difficult for the Armed Forces to get involved in political agreements and that he believes the Armed Forces will not make a pact with any political sector. He stated that the only commitment the Armed Forces will make will be to comply with the Constitution and the law.

Asked if the political opening is premature, Jarpa pointed out that it is difficult to understand what is happening in the political party scenario and that this is why hard work is being carried out in the production and specific work sectors where it is much easier to reach understandings.

Jarpa was asked if there is a lack of political maturity among some of the politicians who were given the possibility by the government for the political opening. The interior minister replied: Perhaps some lack maturity and others have doubts.

Regarding the criticism by the AD which places the responsibility for the results of the papal mediation on the president, Sergio Onofre Jarpa stated that the negotiations have been carried out with great responsibility. Jarpa added: For the time being we are tied to a commitment with the mediator. Therefore, the issues under discussion must be kept secret.

Jarpa was then asked if he would discard conversations with democratic sectors for a concentred reopening process. He said:

[Begin recording] [Jarpa] They have repeatedly been invited. The members of the Council of State and I have talked with them. The doors are open. Naturally, they have been invited to participate, to give their opinions. I do not see any problems.

[Unidientified reporter] What will happen if they do not participate [words indistinct]?

[Jarpa] The government must continue because it has to comply with the Constitution. The Constitution establishes that there are laws which must be studied and promulgated, and this must be done even if there is no participation. It must be done because the government wants to achieve real progress toward full democracy, as has been pointed out by the president. Therefore, we will be very sorry if they do not participate [words indistinct] will be done anyway. [end recording]

In conclusion, the interior minister reiterated to the press that it would be useful for all the institutions established in the Constitution to operate during this term of government, thus supporting the idea of advancing the date for establishing a congress.

DISSIDENT POLITICAL SECTORS NARROW DIFFERENCES

PY300337 Santiago Radio Cooperativa in Spanish 1715 GMT 30 Jul 84

[Text] Following a seminar he attended this weekend, Christian Democratic Party leader (Edgardo Benninger) said that dissident political sectors have recently narrowed their differences. During the seminar, Enrique Silva Cimma and (Patricio Erwin) said that in their own personal opinion, even though the 1980 Constitution is not legitimate, it is a fact. Therefore, they concluded, it is necessary to amend it. Also at the seminar, former Senator Francisco Bulnes and Sergio Diez, a former Chilean ambassador to the United Nations under the Pinochet regime, openly opposed the terms of Article 24 of the temporary constitutional provisions and, in general, all the temporary provisions. Commenting on the debates at the seminar sponsored by the Chilean Chilean Institute of Humanities, (Benninger) said:

[Begin (Benninger) recording] Even though the 1980 Constitution is a concrete social fact, the rejection of that Constitution is just as concrete. Therefore, we should conclude that the 1980 Constitution, despite being a concrete fact, must beyond all doubt be thoroughly modified if a national accord is to be attained. However, as I have continually said on the radio, this side of the question has nothing to do with the legitimacy of the Constitution. [end recording]

(Benninger) said that Francisco Bulnes has adopted the wrong position toward the president of the Republic and the Democratic Alliance [AD].

[Begin (Benninger) recording] I believe that there is a sharp contrast between General Pinochet's traditional position, which was recently upheld by Interior Minister Sergio Onofre Jarpa -- absolutely rejecting any change -- and the search for solutions that the opposition has recently proposed. This search for solutions was clearly depicted by Enrique Silva and Patricio [name indistinct]. [end recording]

In addition, (Benninger) added that the government has all the power and that it can also resort to Article 24 of the temporary constitutional provisions, which empowers it to detain, banish, and expel citizens, among other things.

[Begin (Benninger) recording, in progress] ...in the sense that the agreement over the basic elements of the Constitution is a stage that comes before any possible significant progress in concrete cases like the electoral law (?and/or) the eventual elections. [end recording]

(Benninger) added that unlike the situation prevailing some 10 months ago, there are now some points of agreement between some opposition sectors and the National Party, whose position has been outlined by Pedro Correa. Among other issues, such points of agreement involve the rejection of Article 24 of the temporary constitutional provisions, the transition toward democracy, and the simultaneous discharging of the duties of the presidency of the nation and the commander of the Army.

FIVE OPPOSITION GROUPS FORM JOINT BOARD

PY3122128 Santiago Radio Cooperativa in Spanish 1715 GMT 31 Jul 84

[Excerpt] Engelberto Frias, a leader of the National Development Project [Proden], has announced the formation of a joint board including the Popular Democratic Movement, Proden, the Democratic Social Movement, the Carlos Briones-led Socialist Party -- a member of the Democratic Alliance -- and the Ricardo Nunez-led Socialist Bloc. The board has been designed to achieve unity among the opposition sectors. Frias said: There are many points of agreement among the opposition sectors. Therefore, we must put aside our ideologies until democracy is restored, and once this is achieved each sector can struggle to make its viewpoint known.

A joint statement was released covering several points of agreement. In this respect, Frias said:

[Begin Frias recording] There are points on which unity can logically be based. The first point, of course, is Article 24 of the Constitution, which disrupts the state of law. [end recording]

The joint statement covers issues such as Article 24 of the Constitution, which has been rejected by most national sectors. Commenting on the government's position regarding human rights, Jorge Mario Quinzio said:

[Begin Quinzio recording] It has turned its back not only on democracy but also on the state of law, and it has shunned all of its international commitments. [end recording]

These parties also agreed to participate jointly in the Drive for Life proposed by Cardinal Silva Enriquez. Ricardo Nunez, leader of the Socialist Bloc, announced their position on this drive:

[Begin Nunez recording] We of the Socialist Bloc and all of the organizations which have endorsed the 9 August drive call upon all Chileans, all those who truly want to put an end to crimes going unpunished in our fatherland, to participate in every event, in every activities of this drive to express our rejection and our hope to live again in a democratic, civilized society. [end recording]

PCCH'S MONTES DISCUSSES PARTY CONFERENCE

AU291919 Budapest NEPSZABADSAG in Hungarian 25 Jul 84 p 2

[Jorge Montes, member of the central leadership of the Chilean Communist Party Central Committee interviewed by Chilean journalist Joaquin Hormazabal: "Our Party Is Alive and Is Struggling and Working; Statement on the Chilean Communist Party's Illegal Party Conference"; date, place not given; first paragraph is NEPSZABADSAG introduction]

[Text] The Chilean Communist Party, which is operating illegally has held a party conference on the country's territory for the first time since the existence, for over a decade, of the Chilean fascist dictatorship. The historic event was attended by members of alternate members of the party's Central Committee, members of the Secretariat, and invited guests. Simultaneously with the Santiago de Chile party conference, Chilean Communists living in exile also had a conference and discussed the most important tasks facing the party.

[Harmazabal] International public opinion received the news of the national party conference gladly, and was more than a little surprised. How do you appraise the political significance of the event?

[Montes] To cite the words of our secretary general, Luis Corvalan, our party has scored the most significant political success in the past decade with the convocation of the conference not only because, outwitting the vigilance of dictator Pinochet's secret police, the Chilean Communists held a conference within the country's borders, but also becasue we have succeeded in proving more convincingly than ever before that our party has not been crushed, that we are alive and working among the people at home, encouraging and organizing their struggle to overthrow the dictatorship.

[Hormazabal] According to the document issued on the conference, the participants confirmed the policy of the "rising masses of people" and called for a destabilization of the regime. How did the Chilean people, who live under the pressure of the dictatorship, received this appeal?

[Montes] As is known, overthrowing the dictatorship is the fundamental goal of the struggle at the moment. The people themselves have chosen this route of forming their political opinion; thus, the party does nothing other than take the lead in this spontaneous movement. It guides and organizes the struggle, attends to the choice of the correct tactics, and does not forget self-defense, either.

[Hormazabal] What were the most important conclusions of the party conference in this connection?

[Montes] As the document issued emphasizes, in the first place, we are waging a resolute struggle to restore democracy in Chile and are mobilizing the most progressive sons of the people to this end. Incidentally, this conclusion is in accord with the resolution of the August 1977 plenum of our party, which underscored that the changes in Chile must be antifascist and democratic in nature. We asserted even at that time that the most fundamental contradictions exist between the Chilean people and the extreme rightist, fascist, and finance-capitalist oligarchy in our country.

In this respect, the situation has not changed since then, either. The enemies of the people are also the same today. According to another conclusion of the conference, Pinochet has turned Chile into a satellite country of imperialism in the course of the past decade.

We demand a relinquishment of this policy, observance of national interests, and a representation of the interests of the working masses, workers, and peasants and not those of the obligarchy. We are advocating an anti-imperialist and anti-oligarchic policy, because we are convinced that this is most consistent with our people's ascendancy and the restoration of our existence as a nation. This presupposes as a matter of course that those social and political forces that are most capable of accomplishing the above policy must seize power. The communists demand a radical transformation of power and of the political leadership, including a change in the social structure and a fundamental reorganization of the Army and the legislature.

It was the third outstandingly important conclusion of the conference that only a courageous, consistent, and intelligent struggle can change present conditions in Chile. This means that a policy of negotiations and contact with the dictatorship is unsuitable. Democracy and political rebirth are conceivable only without Pinochet and the fascist dictatorship. We cannot let ourselves be misled by the regime's promises and various appeals for a "national reconciliation," while Pinochet declares that he does not intend to step aside.

Finally, the conference has concluded that in spite of the illegality, persecution, and extraordinary circumstances, the Chilean Communist Party is growing and strengthening and, with its internal organization and ideological firmness, is the most significant leftist force in the struggle against the Chilean dictatorship.

HUMAN RIGHTS GROUP REPORTS INCREASED VIOLATIONS

PY310211 Madrid EFE in Spanish 1746 GMT 28 Jul 84

[Text] Geneva, 28 Jul (EFE) -- The Chilean Human Rights Commission has denounced here the lack of respect for life, the increased human rights violations during the first half of 1984 (35 deaths compared to 15 during the same period last year), and the "unnecessary violence" of Chilean police. "So far during 1984, the commission has received 118 reports on persons who were shot and 570 cases of individuals who were arrested in 'special operations,' a figure double that of the same period last year."

Representatives of several Chilean organizations attended a meeting here of the UN Human Rights Commission which ended yesterday, and testified before UN human rights organizations. The committee studied the report sent by the Chilean Government, which was presented here by special Ambassadors Fernando Lyon and Mario Calderon, but decided to continue examining it at the next meeting to be held from 9 to 22 November.

The Chilean Human Rights Commission charged that 779 persons were subjected to various forms of torture in secret places, at the National Intelligence Center (CNI), and in military quarters.

According to the commission, the Chilean Government, with its new laws and repressive policy, is seeking to classify Chileans as tolerated opponents (center parties which may not show solidarity with those which are persecuted) and "opponents to be eliminated" (including anyone suspected of being a Marxist). "Although we work openly in the country -- we have 22 provincial offices, 46 grassroots committees in Santiago, and almost 1,500 collaborators -- we are still persecuted," a Chilean representative said.

The commission publishes a monthly report about all received and verified charges, in addition to 6-month and annual reports, all of which are first sent to the Interior Ministry.

The commission's report ended by stating: "Although General Pinochet's government wants to demonstrate that the International Agreement on Political and Civil Rights is in force in the country, its arguments are without basis because Chile has ratified the agreement but not the protocol which would make it enforceable."

The 78 countries that signed the agreement (which has been in force since 1976 and which implements the UN Charter) pledged to protect the political and civil rights of each individual regardless of their race, sex, language, or religion.

Alicia Vega, who resides in Algeria, reported the arrest in April 1984 of her son Alvaro Toro, accused of "possessing explosives." She said: "Luckily there were witnesses to the arrest, and although the police denied it at the beginning, they ended by admitting that he was in a public jail in Santiago. When his trial concludes, which is going on too slowly, he will still have to serve between 9 and 12 years in jail." "Alvaro, a history student at the University of Santiago, has been ill since childhood. He needs constant medical attention, and the worst thing is that one cannot even know how long his trial will last."

The secretary of the organization "Democratic Chile," which is made up of eight Chilean leftist parties, traveled from Rome to Geneva to testify before the UN organizations that are currently studying the status of political and human rights in Chile. He said that "the report presented by the Chilean Government to the UN Human Rights Commission does not reflect the true situation, which has become worse." He added that "Chilean authorities reported in February to the Human Rights Commission that 'an alleged improvement' had taken place. This has been proven false: While the authorities talk about freedom of the press, reporters are being detained and news organizations are being closed."

The leader of "Democratic Chile" said that under the "Chilean antiterrorist law any persons can be qualified as a terrorist and murdered." He said: "It is absolutely false that exiles can now normally return to the country since the list of those authorized to return has not been released. By contrast, the original list has been reduced and further explusions are taking place." He added that the Chilean people will stage several demonstrations and national stoppages in August and September "to strengthen unity among all Chileans in their task of rebuilding democracy in the country."

SANTIAGO INTENDANT WARNS ORGANIZERS OF PROTEST

PY312302 Santiago Radio Cooperativa in Spanish 1715 GMT 31 Jul 84

[Text] General Roberto Guillard, the intendant of the Santiago metropolitan region, has stated that those who are organizing the protest drive should be held responsible for its consequences. He said that measures will be adopted to preserve order and to tighten security in the face of this drive.

In response to a question about the protest drive called by the Democratic Alliance for 4-5 September, Gen Guillard said: The regional military commander is charged with keeping the situation under control.

While attending a ceremony in the Provindenica Municipal District, Guillard said that it would be useful if those who are organizing the protest would get to work instead. They must realize that these drives also are preventing workers from earning their daily bread.

Asked about the security measures to be adopted because of the protest drive, Guillard said: Order will be maintained and security measures will be strengthened. He said that he is holding the drive's organizers responsible for its consequences and noted that these are usually the first ones to hide under their beds. Really, he said, enough shouting and destruction have taken place. The time has come to work for this country. Guillard added: Just as we have heard how Providencia and other municipal districts are growing, we must seek national growth. There are some false leaders who are rather professional international agitators.

BISHOPS ADDRESS APPEAL TO 'NATIONAL COMMUNITY'

PY310241 Santiago Domestic Service in Spanish 0015 GMT 31 Jul 84

[Excerpts] A document released by the Chilean bishops includes (?eight) proposals to the various sectors of the national community according to their roles. The bishops ask politicians to continually give priority to the search for common good above and beyond personal, class, group, and partisan interests.

The document says that the message to rulers, both current and future ones, is that they must try to interpret the desires of the majority of the Chilean people. The bishops also ask them to seek peace with neighboring countries through all means as a way to reduce military expenses and to redistribute these resources to facilitate a broad integration and cooperation among brotherly countries.

The bishops concluded by stating that this is a difficult task and that the only way to undertake it is by trusting in the force of God's spirit and by assuming humane rather than impersonal attitudes.

BRIEFS

SOUTH AFRICAN AMBASSADOR -- President General Augusto Pinochet received the credentials of the new South African ambassador to Chile, Antonio Michel Muller, on 24 July. [Excerpt] [Santiago EL MERCURIO in Spanish 25 Jul 84 p C 7 PY]

AMBASSADOR TO NEPAL -- The Nepalese Government has approved the appointment of Carlos Bustos Diaz as the concurrent Chilean ambassador to Nepal. Bustos Diaz is currently the Chilean ambassador to India. [Excerpts] [Santiago LA TERCERA DE LA HORA in Spanish 19 Jul 84 p 14 PY]

IQIIQUE BISHOPS -- On 13 July the Holy See designated Father Javier Prado Aranguiz as the new bishop of Iquique, replacing Monsignor Jose del Carmen Valle who resigned because of his age. The official communique was simultaneously issued in the Vatican and in Santiago. Msgr Prado will be ordained bishop on 2 September in a ceremony that is to take place at the Valparaiso Cathedral and he will assume his duties in Iquique on 8 September. [Excerpts] [Santiago EL MERCURIO in Spanish 14 Jul 84 pp C 1, C 4 PY]

U.S. PLANES SAID TO HAVE VIOLATED AIRSPACE

PA010333 Paris AFP in Spanish 0042 GMT 1 Aug 84

[Text] Bogota, 31 Jul (AFP) -- The two planes that violated Colombian airspace on 19 and 20 July were U.S. combat planes taking part in the U.S. Navy's Unitas maneuvers in Caribbean waters according to a report appearing in the last issue of SEMANA magazine [not further identified].

The magazine, which cites "a top source" of the Colombian Navy, added that the operation was carried out by combat planes that took off from the John F. Kennedy aircraft carrier.

The magazine stated: "The National Navy has stated this because U.S. officials themselves acknowledged carrying out maneuvers in Colombian airspace over the San Andres Archipelago."

Navy Commander Vice Admiral Tito Garcia Motta, in a communique dated 20 July, Colombian independence day, reported that "two planes of unknown nationality, flying at low levels dropped an explosive device near the Cay of Serrana."

In the wake of this, the sea and air defense of the garrison on those Colombian possessions in the Caribbean remained on a state of maximum alert for 4 days.

With the incursion of the planes registered on 19 and 20 July there have been a total of three cases of Colombian airspace violations in that region. The other two took place in April and July of 1983, and the nationality of those planes is still unknown.

CONSERVATIVES, LIBERALS DISAGREE ON PROGRAMS

PA010324 Bogota Cadena Radial Super in Spanish 0000 GMT 1 Aug 84

[Text] Bogota -- A serious crisis broke out today between Colombia's traditional parties when the pacts binding them to foster social and economic plans broke down.

The Conservatives have declared that they will not participate in a parliamentarian meeting where they were supposed to consider government proposals to the national congress.

The National Conservative Directorate, however, believes the rift to be temporary. In a communique the directorate indicated that the pacts agreed upon 2 years ago have been violated.

The Liberals, who enjoy a majority in Parliament, have argued that none of the political agreements has been broken and stressed that the Conservatives' stance is regrettable because it hampers legislation.

The situation could lead to a bogging down of the election of a presidential designate planned for August and paralysis of government efforts to resolve social and economic problems. These solutions are sorely needed by the country.

POLICE ORDER INVESTIGATION OF ALLEGED TORTURE

PA310437 Bogota Cadena Radial Super in Spanish 0000 GMT 31 Jul 84

[Excerpt] Bogota -- The deputy attorney general for the police today ordered an investigation into the torture inflicted on two of the guerrillas who were detained last Wednesday after an attack on a downtown stockbrokers office. Two policemen and three guerrillas were killed in this attack.

It was reported that after serious charges were made against the judicial police the deputy attorney general ordered a rigorous investigation of the torture inflicted on Mario Resero Diego and Simon Ricardo Garcia Bernak, reportedly members of the Popular Liberation Army.

JUSTICE MINISTER ON GUERRILLA KIDNAPPINGS

PA010348 Bogota EL TIEMPO in Spanish 29 Jul 84 p 14a

[Excerpt] Justice Minister Enrique Parejo Gonzalez has stated that the government has not made an end to guerrilla kidnappings and the release of kidnap victims to the authorities conditions for the peace agreements. [as published]

The official was referring to remarks by Oscar William Calvo, representative of the Peoples Liberation Army [EPL] in the peace negotiations, who warned earlier this week that the EPL is holding several people and will not turn them over until a peace agreement is reached.

In addition, the minister said that the review of the extradition treaty with the United States is not at a standstill and that negotiations will resume in Colombia soon. Speaking on the program Controversy, of the Grupo Radial Colombiano, Parejo Gonzalez said that the process for the country's pacification is being complied with within the established guidelines. Referring to kidnap victims, the minister said he has no doubt that the signing of peace agreements cannot be possible unless an end to kidnappings by rebel groups is established as a condition for signing those agreements. He maintained that this must be a prerequisite for peace. "If there is any evidence that rebel groups are holding hostages, they must be released," he remarked.

EPL, FARC ELEMENTS CLASH; 7 PERSONS KILLED

PA312049 Bogota EL TIEMPO in Spanish 27 Jul 84 pp 1 A, 6 B

[Excerpts] Medellin, 26 Jul -- Four guerrillas and three peasants were killed during a clash between guerrillas of the Peoples Liberation Army [EPL] and a group of kidnappers claiming to be members of the Revolutionary Armed Forces of Colombia [FARC]. The clash took place in Buritica Municipality, in western Antioquia Department.

Buritica Mayor Gilberto Diaz Carvajal reported that the clash, which lasted more than 5 hours, occurred in Llanos de Urarco, near the mountains of the Western Mountain Range that separates the towns of Buritica and Peque. The clash ended at 0700 last Wednesday with the release of 16-year-old Gloria Garcia Higuita, who had been kidnapped last Sunday in Tabacal, a hamlet of Buritica Municipality. The mayor of Buritica reported that the clash began at 0200 on Wednesday, near La Planta Stream, in Llanos de Urarco, when the armed group that was taking the abducted girl through the mountains was surprised by an EPL column in military garb. The kidnappers -- who claimed to be members of FARC, the mayor said -- mistook the guerrillas for an Army patrol and opened fire.

The Antioquia departmental government yesterday ordered that the area of Buritica, Peque, and Sabanalarga be militarized to prevent further guerrilla attacks. Militarization was extended to Abriaqui Municipality on Thursday to stop the guerrillas' advance toward the Atrato River Valley, bordering on the Choco region. The joint police and Army operation resulted in the capture of 18 presumed EPL guerrillas in Buritica and Santa Fe de Antioquia yesterday.

PRESIDENT BELAUNDE ON TERRORIST TACTICS, ACTIONS

PY311551 Lima Domestic Service in Spanish 1115 GMT 31 Jul 84

[Text] The president of the Republic has held a luncheon at Government Palace for the leaders of the Armed Forces, the police, and other government officials. In this regard, we have his statements:

[Begin Belaunde recording in progress] ...we (?analyze) their technique, which essentially is strategic. They have clear-cut tactics. They seek to severe communications through attacks, especially against bridges. More than a year has elapsed since the attack against the bridge over the (?Palca) River took place. This is a vital bridge on the road through the mountains and plays a significant role for carrying supplies to Ayacucho Department. Later there was the dramatic and unspeakable attack against the [name indistinct] bridge. There is evidence that there is a plan for severing the communications.

Even more serious is the plan not only for severing the road network but also the communications and the power supply systems which consist of telephone lines and the high-voltage powerlines which supply power to the largest cities in the country. A skilled mind exists which selects the [words indistinct] like felling the pylons which are much more difficult to rebuild, the serious damage which was recently caused to a power station -- which fortunately is not a vital one; and in a mining area in which the pipeline for transporting water to power the turbines has been destroyed. There is a preconceived plan by someone who has a mind that is trained for sabotage.

Finally, there is also a plan to destroy the institutions by discouraging the bravest citizens from holding responsibilities which originate in the people's mandate. We have shouldered the heaviest burden in this struggle and we are aware that 77 patriots and champions of order died last year. We are also aware that for every one of those champions a civilian, who had modest but important duties like governorships, mayorships and [words indistinct] as has recently been the case in Huancayo, has died. [end recording]

AFP: ULTIMA HORA, LA PRENSA ENCOUNTER DIFFICULTIES

PY311658 Paris AFP in Spanish 1826 GMT 30 Jul 84

[Excerpts] Lima, 30 Jul (AFP) -- The popular Lima evening daily ULTIMA HORA failed to appear today because of a lack of newsprint. ULTIMA HORA is owned by the same enterprise that publishes the important morning daily LA PRESNA, which today circulated, for the fourth day in a row, a 4-page issue. The crisis affecting LA PRESNA has also affected the extremely popular ULTIMA HORA daily. ULTIMA HORA appeared in 1950 using colloquial language. ULTIMA HORA has been headed by Guido Chirinos, a seasoned journalist and a Popular Action deputy, since July 1950 when the papers were returned to their former owners.

PERCOVICH ON INVESTIGATION INTO AEROFLOT ATTACK

PY311436 Lima Television Service in Spanish 0430 GMT 31 Jul 84

[Text] Shining Path terrorists, who are well-known Maoists -- natural enemies of Soviet communism -- were the perpetrators of the attack against the Soviet commercial airline office Aeroflot. Interior Minister Luis Percovich Roca will now make important disclosures:

[Begin Percovich recording] After investigations and arrests were made, the attack against Aeroflot has been virtually cleared up. It is important this clarification is made because a political party has issued a communique which is completely unrealistic. We are in a position to name those who are responsible for this attack. Shortly after the blast that took place at Aeroflot, citizen Maria Luisa (Aroni) Contreras was detained. (Aroni) Contreras, who was arrested after she threw a bomb at the [offices of the] commercial airline, has stated that she has been a member of the Shining Path Communist Party since March 1984. She said that she was recruited by (Infucio Mitsubita), alias Jorge or Comrade Mario, at the offices of the [word indistinct] labor union in Lima where the attack against Aeroflot was planned. (Infucio Javier Mitsubita), alias Jorge or Comrade Mario, who stated that he had participated in the planning of the attack against Aeroflot with Comrade Maria and Comrade Juan, has been detained. Therefore, this investigation, which is in its last stages, clearly established who participated in the attack against Aeroflot, where the attack was planned, and how this attack is directly linked to the Shining Path faction of the Communist Party of Peru or the Peruvian Communist Party -- there is hardly any difference between them.

SERIES OF TERRORIST ATTACKS REPORTED IN AYACUCHO

PY311631 Paris AFP in Spanish 1551 GMT 30 Jul 84

[Text] Lima, 30 Jul (AFP) -- According to a Lima newspaper, between 12 and 15 Peruvian policemen were killed on 27 July by subversives who launched a surprise attack against a police post in Cotosh, located in Cangallo Province, Ayacucho Department.

The reports, which have not been officially confirmed, note that 10 subversives were killed and 15 others wounded in the attack. The wounded were picked up by their comrades. A group of Shining Path extremists carried out several attacks on 29 July in Huancavelica, 522 km southeast of Lima, where they placed dynamite charges in a jail, a market place, and a sector of the local water plant, located in the Ascension neighborhood about 1 km from the city. The attacks caused damage but no one was injured. In Oroya, 188 km southeast of Lima, Shining Path commandos attacked the Yaupis hydroelectric plant, which is the main energy source to the state-owned Centromin mining plant. They also blew up a power pylon of the Mantaro system at km 183 on the Lima-Huancayo Highway, causing blackouts in several towns in the area. Huancayo police sources also reported that six persons received bullet wounds and were hospitalized as a result of attacks that took place on 28 July in a city located 311 km southeast of Huancayo, which like other towns in the area experienced a blackout because of the blowing up of two power pylons. An this time, the extremists took advantage of the blackout to throw explosives against the 3 December barracks, but the soldiers repelled the attack and this resulted in shoot-outs in several parts of the city.

In Ilo, located in the southern region of the country, detective Augusto Rosell Carmano died in yet unclear circumstances when the police fired at the vehicle in which he was traveling for not respecting the stop sign at a control post.

Five plastic bombs were deactivated yesterday by the Republican Guard near the Lima-Callao railroad. The police reported that the subversives tried to partially destroy the railway line.

PARTIES, COMMANDERS NARROWING DIFFERENCES

PY311210 Montevideo Radio Carve in Spanish 0000 GMT 31 Jul 84

[Excerpt] Dear listeners: The main conclusions of a 9-hour meeting held at the Navy Club by the junta of commanders in chief and the representatives of the Colorado Party, the Civic Union, the Broad Front, and the Labor Party are the following: Differences have been narrowed on practically all topics being discussed in order to issue the temporary regulations that should allow the holding of elections on 25 Movember 1984 and the handing over of power to the elected government on 1 March 1985.

There were significant developments in connection with the agreements reached by the commanders and by the party representatives. In the first place, it was agreed that all the regulations to be issued as a result of these talks will be temporary. Second, a constituent assembly, which will be the general assembly or the congress to be elected by the people, will draw up the final regulations to be included in the Constitution as amendments. These final regulations will be subjected to a plebiscite on a date still to be established. Negotiations over the date for the plebiscite and the period of validity of the temporary regulations are still under way. However, it is important to point out that all regulations will be temporary and that only the constituent assembly, which will be made up of the congressmen elected by the people, will be entitled to amend the Constitution. The amendments will also have to be approved during a plebiscite.

Another issue over which considerable agreement has been reached involves national security and the functioning of an organ that will advise the executive branch on security matters. [words indistinct] in the sense that the national security advisory organ can be summoned only by the president of the Republic and only when he deems it necessary. [Words indistinct] how the Armed Forces commanders will be designated. It has been agreed that Congress will have to approve any designations. However, the designation of military commanders is still being negotiated.

Concerning the situation of Wilson Ferreira Aldunate, the parties asked the Armed Forces for his release. The Armed Forces pointed out the Ferreira Aldunate is being tried by the military courts and that if the courts find him innocent, the Armed Forces will not insist on the ban on Wilson Ferreira Aldunate. Negotiations over this issue will continue over the next few hours.

BRIEFS

MONEY ISSUANCE GROWTH -- The money issuance by the Central Bank has grown 15.2 percent over the first half of 1984, totaling 12,143,000,000 pesos, according to figures released by the Central Bank. [Excerpt] [Montevideo EL DIA in Spanish 9 Jul 84 p 11 PY]

6-MONTH MEAT EXPORT FIGURES -- Cumulative meat exports over the period January-June 1984 totaled 98,560 tons, worth $116,268,991, while over the same period in 1983 meat exports totaled 127,181 tons, worth $152,949,815. [Excerpt] [Montevideo EL DIA in Spanish 17 Jul 84 p 9 PY]

FRANCE'S CHEYSSON ON EAST-WEST CONFLICT IN AREA

PA010228 Hamburg DPA in Spanish 2227 GMT 31 Jul 84

[Text] Caracas, 31 Jul -- French External Relations Minister Claude Cheysson said today in Caracas: "The EEC denies that the East-West conflict is involved in all the tensions existing in the world, and in particular in Central America."

At a press conference held moments before departing for his own country following a visit to Argentina and Venezuela, Cheysson added: "We do not want this to lead to a direct confrontation between the United States and the Soviet Union."

"We wish that regional problems would be discussed by the regional countries themselves with the Contadora Group countries," Cheysson added.

In his capacity as French external relations minister, Cheysson said: "It is important for me to know the extent to which the Venezuelan Government wants participation of European governments in general, and those of the EEC in particular, in the discussion of the problems in Central America."

"We can describe my visit to Venezuela as basically political, because we are in a region with grave conflicts: Central America. Consequently, it was very important for France to come to one of the most outstanding countries of the Contadora Group to learn if countries outside the region, European countries in particular, could play a role and what, if any, that role would be," Cheysson said.

Asked if his country shares the idea that the United States is a "very important, if not the determining," factor in the solution to the Central American crisis, Cheysson replied: "It is true that the United States has an influential role in Central America. That is also the case in Europe. But that doesn't mean that the Central American countries have to wed their future to the United States. If that were the case it would greatly disturb us."

He then referred to the possibilities for French cooperation in the region as well as that of the EEC.

"There are several ways to conduct that cooperation. The most important problem lies within the world economic order. It is in the interest of European countries and the more developed Third World countries to demand a monetary order [orden monetario], lower and more stable interest rates, better financing terms, and an easing of the debt burden," Cheysson said.

"The United States, the market economy's greatest power, our ally and your friend, must heed the actions taken by the EEC's 10 member states and some of the Third World countries," Cheysson added.

The minister also said that the EEC is willing to participate in financing joint development projects in the region, combined with any other kind of aid in conjunction with the World Bank or with bilateral or collective aid. In this regard, he described the San Jose Accord as "very positive," because it allows Central American and Caribbean countries to obtain Mexican and Venezuelan oil under very favorable conditions for their development.

During Cheysson's visit to Caracas, bilateral relations between the two countries were analyzed, including agreements on cultural, economic and financial aspects. (France is participating actively in the construction of Caracas' metropolitan railway. One of the railway's main stretches is already operational.)

France is cooperating with Venezuela in many technological aspects. There are 47 high-level technicians working in many Venezuelan state-run enterprises and numerous French enterprises are operating in Venezuela's private sector.

Shortly before ending the press conference, the French foreign minister stressed his feeling that the EEC could play a "role" in addressing the Central American countries as an international economic group.

"This is exactly the purpose of a meeting that will be held in San Jose, Costa Rica, on 28 and 29 September," he said.

The EEC foreign ministers, the Central American foreign ministers and the Contadora Group foreign ministers (Colombia, Mexico, Panama, and Venezuela) will attend the meeting.

BRIEFS

NEW AMBASSADORS APPOINTED -- Luis La Corte has been appointed ambassador to Colombia; Abel Clavijos Ostos and Dr Moritz Eiris Villegas have been appointed ambassadors to the Dominican Republic and Jamaica, respectively; Dr Jose de Jesus Osio has been designated ambassador to Barbados; and Gonzalo Sanchez, ambassador to St Lucia. [Summary] [Caracas EL NACIONAL in Spanish 14 Jul 84 p D 18 PA]

DE LA MADRID SPEAKS ON INDUSTRY, FOREIGN TRADE

FL311446 Mexico City NOTIMEX in Spanish 2320 GMT 30 Jul 84

[Excerpt] President of the Republic Miguel de la Madrid Hurtado said today that Mexico has an active, powerful industrial sector, consisting of the population as a whole, with defined policies and the active participation of Mexican workers.

During the meeting at which the program for the development of industry and foreign trade for the period 1984-88 was presented, the president spoke of the need to establish firm, real, and permanent economic bases to achieve a more balanced society. He said that justice is not built on economic illusions.

He said the Mexican plan of incentives for industry and foreign trade will favor efficiency, competitiveness, and production in industry and foreign trade, which will make it necessary to make a great effort to redesign development plans, recover growth capacity, create jobs, and promote a just and egalitarian society.

The Mexican president said that during the participative planning stage, the discussion should not focus on the advisability of state intervention but rather should be rational and efficient.

He said that the country has managed to react to the economic crisis and avoid confrontation. We realized that this is not the moment to pit Mexicans against Mexicans because this could weaken national independence, coresponsibility, and basic fundamental solidarity.

The president reiterated the call he had made for Mexicans to try to better organize work and make it more productive and efficient because this is the key to getting the productive sector of the population to make the greatest contribution.

Later, President De la Madrid installed the Consultative Industrial Planning Commission headed by Secretary of Energy, Mines, and Parastatal Industry Francisco Labastida Ochoa and consisting of representatives of these productive sectors.

BANK REPORTS INCREASE IN EXPORT CREDITS

FL311530 Mexico City NOTIMEX in Spanish 0119 GMT 31 Jul 84

[Text] Mexico City, 30 Jul (NOTIMEX) -- Mexico's National Bank of Foreign Commerce (Bancomext) reported today that in a sign of economic recovery demand for credit by export firms increased more than 150 percent in the first quarter of 1984. The bank added that, during this period, it granted export firms credits and guarantees totaling 454.2 billion pesos (more than $2.469 billion). This represents nearly 49 percent of the total amount planned for 1984, amounting to 950 billion pesos (more than $5.053 billion). Bancomext said that during the first quarter in 1984 it granted credits totaling $340 million to leading banks of countries that buy Mexican products.

The bank added that financing provided by the pre-exporting phase of the program, during the first quarter, came to more than 48 billion pesos (more than $255,319), which is 128 percent greater than the amount registered during the same period in 1983. Referring to financing provided for exports by the Fund for Promoting Manufactured Products (FOMEX) of Bancomext, the bank underscored that it came to more than 152 billion pesos (more than $808 million), which represents an increase of 169 percent over the amount registered during the same period in 1983.

SPEECHES MARK THIRD ANNIVERSARY OF TORRIJOS' DEATH

Illueca on Canal Treaty

PA311740 Panama City Domestic Service in Spanish 1446 GMT 31 Jul 84

[President Jorge Illueca speech at a ceremony at Fort Amador, Panama, marking the third anniversary of the death of General Omar Torrijos Herrera -- live]

[Excerpts] Intent on serving the homeland, in 1968 General Torrijos took upon himself the epic task of uniting into a single trend the struggle that had been waged by several generations to achieve the restoration of our sovereignty and the country's institutional health. He proclaimed that the two fundamental objectives of the Torrijist revolution were first, to recover the canal, and second, to turn this caricature of a republic into a nation. [applause]

Torrijos based the launching of the liberation process, geared to recovering the canal and the canal area, on a program that called for the reaffirmation of national awareness, the execution of a plan for the country's overall development, and the institutional reorganization of the Republic. Torrijos embodies an awareness of the responsibility that the exercise of his governmental duties imposed on him, as well as awareness of the fact that in order to legitimize this exercise, power must be used to resolve the crisis the nation had been undergoing for decades.

Thanks to Torrijos, a new image of the Panamanian people has been projected to the world. This image is surrounded by respect and even admiration from all nations where our country's name is spoken with reverence and affection.

The 1977 canal treaty, justly called the Torrijos-Carter Treaty, is the culmination of the foreign policy that the great captain of Panamanian nationalism inspired and constructed. It represents both an end and a beginning -- spirit and letter, objective and model, guideline and route for consolidating our independence and recovering Panama's territorial integrity. It also establishes ties between our historic milestones and the dynamic program of our future. It marks the end of 150 years of foreign intervention in the nation's physical and political center, and firmly outlines the profile of our future public conduct. After 4 and 1/2 centuries, control over transit was turned over to the owners of the territory, the Panamanian people, who thus permanently recovered autonomy in their conduct, both here and abroad. This is how the significance of the 1977 treaty must be interpreted today, tomorrow, and always.

Omar was right when he said: We have advanced; the struggle continues. It is a daily struggle, but our enthusiasm does not waver and our determination remains firm. I interpret the feelings of the great national majority when I assert, on this date of collective reflection, the Panamanian state's sacred commitment to the memory of Omar Torrijos Herrera and to work without pausing or faltering to fulfill both the letter and spirit of the 1977 canal treaties. To this end, we reaffirm our decision to undertake to nullify the provisions established in the unjust Law 96-70, which the U.S. Congress approved on 29 September 1979. [applause] These provisions violate and distort the 1977 canal treaties.

We advocate fulfillment of agreed upon pacts as to the preference that should be given to the employment of Panamanians by the Panama Canal Commission and the Armed Forces, without subjecting them to unfair competition with U.S. citizens.

We will continue to demand that it become possible to employ Americans only after it has been proven to Panama's satisfaction that there is not a single qualified Panamanian willing to accept the post, because it must not be forgotten that the central philosophy of the Torrijos-Carter treaties calls for increasing participation by Panamanians and the decreasing participation by Americans, until all of the colonialist stakes have been removed. [applause]

In defense of Panamanian industry, commerce, and agriculture, we demand that the United States grant preference to the acquisition of goods and services here in Panama, without evading this commitment by unjustly appealing to conditions imposed by the U.S. Government's inappropriate purchasing procedures.

We insist that the U.S. Government act in accordance with agreements reached and carry out work to improve the interoceanic waterway, in order to guarantee the smooth and uninterrupted transit of all vessels, without making these improvements contingent upon whether the necessary investment can be recovered prior to the year 2000.

We contend that the system of benefits imposed in discriminatory fashion by the U.S. majority on behalf of their fellow countrymen at the last meeting of the Panama Canal Commission's Board of Directors must either be eliminated for Americans or extended to Panamanians, as this is a flagrant violation of the agreements reached under the treaty. [applause]

We feel that this unilateral stance, adopted against the very firm stand of the Panamanian directors, represents a new cause for conflict between the two countries. For this reason, in order to dispel any doubt on this matter, I believe that it is the proper time to declare that on Panama's side there will be no extension of any privileges for American employees of the Panama Canal Commission after the date agreed on in the treaties. As a result of this, the Panamanian Government, on the basis of the Vienna Convention, will not authorize the use of the U.S. Embassy's diplomatic pouch [applause] by Americans employed by the commission. [applause]

It is unjustified, and therefore there will be no special resolution after 30 September 1984 for handling the correspondence or postal packages either sent or received by the American employees of the Panama Canal Commission. In accordance with the national Constitution and laws and the provisions established in the treaty, these employees will use Panama's postal services, which the state has placed at their disposal under equal conditions [applause] -- I repeat, under equal conditions -- with those applying to all other national and foreign citizens who live here.

The national government will be extremely energetic in repressing all opportunities to engage in contraband activities connected with illegal purchases by unauthorized individuals at the military commissaries. It will also repress all abuses connected with the import of items.

The cordial friendship and traditional hospitality that we Panamanians offer to foreigners who settle in our territory has led many of them to establish their homes in our national territory, withour consent. They are welcome. Americans have been no exception to this rule, and they have enjoyed a climate appropriate for their activities. However -- and listen closely to this -- the discriminatory treatment given the Panamanian workers to which we have referred leads one to very serious reflection and demands that the Panamanian authorities enforce without leniency -- and I urge them to do so -- the constitutional and legal principles that must be generally abided by and that they, too, must respect and fulfill. [applause]

The dawn of 1 January 1990 marks the beginning of the final stage of the foreign administration of the interoceanic waterway. This is easy to say, but one might add that the historic, economic, social, and political significance of this development, which is so near at hand, does not seem sufficiently obvious; neither is its importance or decisive nature in terms of our own conduct. The restitution of the interoceanic waterway and of its riparian area, a part of the heritage of the Republic of Panama, is irreconcilable with any replacement of U.S. colonial (?domination) by that of the transnationals, which would be no less a sign of subordination or colonialism. Neither is it fitting to replace a white master now with a brown one. This is why Gen Torrijos talked about a more collective use, which means giving priority to the benefits to be derived by the Panamanian people in enjoying the yield of their most cherished national resource.

Our people will never permit a new colonization of the recovered areas and goods, or their exclusive enjoyment by privileged minorities. What economic, social, or political sense would there be, if 80 years after the seizure of our transit area by a foreign beneficiary, we were now to build a commercial emporium run by means of threads linked to interests operating abroad?

A distinguished teacher said many years ago that we Panamanians resemble ants that, outside their anthill, collect crumbs left behind by the caravans that cross the desert. To be sure, after 80 years of struggle to be rid of the colonial enclave, our share as Panamanians should not be the transnationals' crumbs.

With regard to the 1977 treaty, all Panamanians should bear in mind that it represents an entity within which various deadlines are met. On these deadlines the Republic is recovering both those parts of its territory not under its control for 80 years and those functions related to the exercise of sovereignty. The deadlines for such a process, designed by Torrijos to demolish colonialism, must therefore be duly fulfilled. Their effects can be neither altered, changed, nor diminished, because of the strict order of succession that controls them.

The search for formulas to prolong either the permanence or existence of any civilian or military organization that must either be extinguished or removed from a given place is tantamount to ignoring the explicit will of the parties and would elicit among the Panamanian people both doubts and apprehensions with regard to the validity of the treaties.

Seen in this way, everything is clear. The roads and guidelines that must be followed are just as clear, because the purpose of the action by the state, the government that moves it, and the people who support it must be to duly fulfill and enforce the program and various stages outlined and imposed in the treaties. There can be no deviation of any kind for these birthdates, as Torrijos used to call them. The people forgive errors resulting from hasty actions, but they do not forgive being robbed of their aspirations. There is no roon for avoiding actions when facing the calendar, or for second interpretations or dilatory arguments. Our conduct has already been outlined, and each step must be taken on a certain date.

In accordance with the Torrijist line, I solemnly declare before the organizations of public power, the Defense Forces, and the Panamanian people gathered here that in tribute to Gen Omar Torrijos Herrera and the liberation program he designed, the national executive branch, through Executive Resolution No 87 of 30 July 1984, signed by the president of the Republic and the finance and treasury minister, and in line with the precedent established with Rio Hato Base, has decided to turn over to the Defense Forces on 1 October 1984 the use and control of the areas and facilities of the School of the Americas and Fort Gulick. [applause]

I repeat: The executive branch has decided that on 1 October 1984 it will turn over to the Defense Forces the use and control of the areas and facilities of both the School of the Americas and Fort Gulick, which on 30 September 1984 will revert to the Republic of Panama in accordance with Paragraph 3D-1 of Annex A of the agreement on the execution of Article 4 of the Panama Canal Treaty, and Paragraph 1-E of the agreement on certain U.S. activities in the Republic of Panama.

The areas and facilities of the School of the Americas and Fort Gulick will come under the exclusive sovereignty and jurisdiction of the Republic of Panama, assiged to the Panamanian Defense Forces, brave guardians of the national sovereignty. The Panamanian flag will fly exclusively over these areas and facilities. [applause] This is a historical occasion to address the nation's first soldier, General Manuel Antonio Noriega. Gen Noriega, paraphrasing Bolivar, we might tell you: Happy is the man who, like you, shielded by the weapons under your command, becomes a guardian of the national sovereignty.

Omar Torrijos was both sword and spear of our sovereignty. He was both nerve and muscle of the national demands, reflection and dynamic force of our collective development. Just as we gave the national flag to Torrijos in Rio Hato Base, on 1 October, Gen Noriega, we will give you the national flag so that there, in what had been until then the School of the Americas and Fort Gulick, you may pay tribute to the flag -- the tribute that, as a trainee in that academy of heroes in Peru, in the land of Ayacucho where the Panamanian battalion planted the army banner (?Libertadores de Condor Punca) -- and see that the flag continues to wave over that nationalistic force, the Defense Forces. [sentence as heard] [applause] We told Torrijos when he announced that he would march into the former Canal Zone that from all corners of the country we Panamanians would march behind him with little flags. We now proudly and honorably tell you, Gen Noriega, that we will also follow the flag carried by the nation's first soldier. [applause]

Ardito Barletta on 'Legacy'

PA311723 Panama City Domestic Service in Spanish 1427 GMT 31 Jul 84

[President-elect Nicolas Ardito Barletta's speech at a ceremony at Fort Amador, Panama marking the third anniversary of the death of General Omar Torrijos Herrera -- live]

[Excerpts] Your Excellency, President of the Republic Illueca and Mrs Illueca; Mrs Raquel Pauzner de Torrijos; Your Excellency, the Vice President of the Republic and Mrs Ozores; Ministers; Commander in Chief of the Panama Defense Forces; honorable members of the diplomatic corps; Your Excellency, Msgr Lewis, Archbishop of Panama; civil, military, and church authorities; ladies and gentlemen; fellow countrymen:

On this, the third anniversary of the death of General Omar Torrijos, we once again come together to render tribute to him and to remind ourselves that his patriotism and his ideas continue to live through us. The best homage we can pay his memory is to tell him that those of us who are here today have come of our own will, representing the hundreds of thousands of Panamanians who together comprise a unity that holds alfot the banner against poverty and injustice and in favor of hope in what is to come.

We retain five fundamental points of Gen Omar Torrijos' legacy that will guide us through the coming years. The first is the constant priority of caring for the Panamanian people's needs, particularly those of the poor in our cities and countryside. The second point is that the Panamanian people will participate in their own development and in the search for their well-being, with respect for their own dignity.

The third legacy is to continue the struggle for our sovereignty, independence, and territorial integrity. The fourth, to always use the method of dialogue and [word indistinct], traveling the entire country to ensure that we are in constant communication with our people, so as to gradually resolve their problems. The fifth is Gen Torrijos' creativity, his talent for knowing what the needs of our people were at a given time and the international circumstances of a given moment, so that together we can join efforts to maintain our peace, promote our development, and bring progress to Panama, with the dignity that our country so highly values.

As we prepare to carry out a peaceful and exemplary transition of power following elections in which all of the Panamanian people participated and in which the objectives that we have pursued through the years were further strengthened, I wish to recall Omar Torrijos' phrase in his "Ideas In Draft," ["Ideas en Borrador"] in which he said: The time has come to go out and talk with all Panamanians, work with all sectors -- and this is no longer a quote -- so that at this time of international crisis that has strongly affected the region and Panama, we Panamanians will know how to maintain our dignity, peace, and independence, while continuing to respond to the constant needs of our people by using our mental independence and our capacity to work together.

Therefore, we offer leadership based on permanent consultation with the people, constructive dialogue with all Panamanians, respect for national dignity, and our own self-confidence in our ability to overcome our problems. We are certain that the spirit of Omar Torrijos will accompany us at all times as we move toward that goal. It is the same independent, rebellious, and patriotic spirit that makes itself felt on this very soil, which is now being used to benefit Panamanians; in that flag waving atop Acon Hill; in the Kuna, Guyami, and Choco Indians; in all of our country's villages and hamlets: a peace-loving spirit that seeks peace and well-being for its people. That was the spirit that joined us with Omar Torrijos then, as it does now and will in the future. Thank you very much. [applause]

ORTEGA ON CENTRAL AMERICAN PEACE AGREEMENT

PA010337 Panama City CRITICA in Spanish 31 Jul 84 pp 1, 33

[Article by Euclides M. Corro R.]

[Text] The demand that foreign military advisers and bases be removed from Central America may well be one of the aspects hindering the success of the Contadora Group effort. Asked about this, Panamanian Foreign Minister Oyden Ortega Duran told CRITICA that "one of the aspects which may hinder a final Contadora agreement could be the decision of any Central American country, together with other countries with other countries with ties in the region, to prevent the elimination of foreign advisers and military bases." He added that, "in the face of this possibility, the Contadora Group's action must be emphatic so that this objective of peace can be complied with." Ortega Duran was clear in reiterating that "the Contadora Group is only a mediator in the search for peace. It all depends on the good faith and firm determination of the Central American governments to reach these agreements."

With regard to the initial question, the Panamanian foreign minister explained that the existence of this possibility "shows that a final agreement will always depend on the willingness of the Central American countries." He concluded by stating: "Up to now Contadora has laid the groundwork for a peace agreement; the decision is up to the Central Americans." Ortega Duran expressed optimism for the development of the Contadora Group efforts and said that it is expected that several important meetings to discuss details concerning a possible peace agreement will be held in August.

ECONOMY MINISTERS TO MEET EVERY MONTH ON CACM

PA010206 Guatemala City PRENSA LIBRE in Spanish 31 Jul 84 p 14

[Text] The region's economy ministers will meet once a month until they can restore the CACM. This was agreed to in a working session held at the Secretariat of Central American Economic Integration offices in this capital on Friday. Guatemalan Economy Minister Leonel Hernandez Cardona said that Friday's meeting was successful because the ministers present agreed to join efforts to restore the CACM. Even Honduras, which was somewhat apathetic at the beginning, in the end expressed its agreement to participate in the plans that will resurrect the CACM. Those who attended the meeting have realized that the integration process will benefit all, and for this reason they will redouble their efforts so that the CACM can be almost completely reorganized before the end of this year. The CACM disappeared after the war between Honduras and El Salvador in 1969.

EL SALVADOR

FURTHER REPORT ON ATTACK ON CIVIL DEFENSE POSTS

PA312228 San Salvador Radio Cadena YSKL in Spanish 2335 GMT 30 Jul 84

[Excerpts] Initial reports from northern La Liberatad Department disclosed in San Salvador this morning indicate that 15 members of the civil defense from Talcualuya farm and other villages near this farm, which belongs to the agrarian reform's peasant cooperatives, were the target of an attack that lasted from 0100 to 01700. We have received a report from official sources, as well as from journalists who went to the site of the incident. They noted that leftist guerillas attacked civil defense posts and small farms of the agrarian reform in (Los Jocotes), Los Ranchos, Talcualuya, San Pedro, Las Flores, Obraje Nuevo, and La Tortuga from 0100 to 0900. Here is a complete report of accounts by townspeople:

In an attack on 6 small civil defense posts in norther La Libertad Department today, the FMLN killed 51 [as heard] civil defense soldiers and wounded 12 more. According to military spokesmen, eight more people later lost their lives, including civilians. The rebels attacked hamlets near San Matias and San Pablo Tacachico, approximately 30 km northeast of the capital. According to reports, 23 civil defense members refused to surrender and fought the guerrillas to the last bullet.

Meanwhile, a spokesman for the Armed Forces Press Committee stated today that in the attack the rebels set 10 tractors belonging to the cooperatives on fire. In addition, they burned the (Los Mogotes) farm and later ambushed a convoy of the Artillery Brigade. A woman and her 5-year-old daughter who were in this area were killed in the attack, together with four soldiers. This same military source indicated that this was the largest rebel attack since the occupation of the Cerron Grande Dam, where 150 soldiers were killed 32 days ago. The military source added that most of the inhabitants of these hamlets were civilians and several of them were killed in the attack.

Meanwhile, we contacted officers of the Artillery Brigade by telephone, who said they do not have any orders from the Armed Forces General Staff to release information on the incident, although it occurred near the brigade headquarters near San Juan Opico.

Photographers and reporters visiting the region have confirmed that six more civilians had been killed, including a girl who was burned in a fire at El Rancho farm, 28 km northwest of San Salvador. In addition, the reporters confirmed that three Artillery Brigade soldiers were killed in an ambush. They were being sent to the area as reinforcements. According to reporters who returned to San Salvador this afternoon, they counted 66 bodies, including those of military members and civilians. However, the number of civil defense members killed in the attack by leftist guerrillas was higher. It was presumed that the Farabundo Marti People's Liberation Forces carried out this devastating attack on the civil defense, because they control the country's northern region. Meanwhile, U.S. military analysts have warned that the guerrillas are trying to expand their operations to the western region, which has not been affected by FMLN actions during the 5 years of this conflict.

VENCEREMOS ON RESULTS OF TECOLUCA FIGHTING

PA010118 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 31 Jul 84

[Excerpts] The Anastasio Aquino Paracentral Front reports that in combats waged on 27 and 28 July against troops of the misnamed Atlacatl Battalion and of the Air Force airborne units, the dictatorship's troops have suffered more than 40 casualties, including 2 officers. These combats took place in the Cantons of San Bartolo, San Justo, Cerro La Campana, and Cerro San Juan Buenavista, in Tecoluca Municipality, San Vicente Department. The Atlacatl Battalion was reinforced by units of the Cavalry Battalion so that it could evacuate its dead and wounded. According to reports, the genocidal Atlacatl Battalion troops and the airborne units were using 105-mm guns, and they also had the Air Force support.

In 3 days, the dictatorship has lost two sections of its puppet Army in San Vicente Department, and more than 75 of its men have been killed or wounded. Our forces also seized some 35 U.S.-made weapons from the dictatorship's troops.

GUATEMALA

VENEZUELAN ENERGY AGREEMENT TO BE SIGNED

PA312236 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 31 Jul 84

[Text] The president of the Bank of Guatemala, Carlos Alcides Perez, this morning reported on the objectives and results of his recent visit to the Central Bank of Venezuela and the Venezuelan Investment Fund [FIV] to discuss matters related to the signing of the 100th economic cooperation agreement between the FIV and the Bank of Guatemala.

By virtue of this agreement, the Government of Venezuela will continue to provide Guatemala with financing equivalent to 20 percent of yearly oil imports, through deposits in the Central Bank of Venezuela in favor of the Bank of Guatemala, divided equally in bolivares and dollars. Initially the bolivares may be used for importing goods, services, and raw materials from Venezuela, while the dollars will serve as support for the balance of payments. Both currencies may also be used later to finance development projects on a 15-year term.

This oil financing mechanism is based on the agreement signed with the FIV in 1974 as result of the Puerto Ordaz accord and the joint declaration of the presidents of Mexico and Venezuela of 3 August 1980 in San Jose, Costa Rica, which is renewed every year. Despite the fact that on 17 July 1983 in Cancun, Mexico, the presidents of this country and Venezuela renewed the energy cooperation program for a fourth year of operation beginning 3 August 1983, so far the respective contract with Venezuela has not materialized, because of the financial difficulties affecting this country for the past year.

According to Carlos Alcides, during his last visit to Venezuela an understanding was reached on the project for the fifth accord, which will be signed on 31 July, after which Guatemala may make use of the equivalent of approximately 18 million quetzales for import needs.

Meanwhile, the president of the Bank of Guatemala pointed out that at the meeting with the president of the Central Bank of Venezuela and FIV's general manager, he made specific requests which could provide more flexibility for Guatemala in using resources derived from oil facilities for import activities and future investments on development projects. The respective Venezuelan authorities promised to examine the requests submitted by the Guatemalan official, despite the fact that Guatemala is currently facing a very critical financial situation.

Finally, Alcides reported that Guatemala is currently up to date in the payment of its commitments derived from its oil imports from Mexico and Venezuela. He underlined the significant support which the formalization of the fifth cooperation agreement with Venezuela will provide for the nation's balance of payment. The agreement, as we already noted, is to be signed on 31 July.

GOVERNMENT MAKING EFFORTS FOR REFUGEE RETURN

PA010139 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 31 Jul 84

[Excerpts] The Guatemalan Government has made and continues to make efforts to secure the return of Guatemalan refugees who are in Mexican territory, Deputy Foreign Minister Mario Marroquin Najera has stated.

[Begin Marroquin Najera recording -- in progress] ...of the Republic has been precisely to make every effort possible to have Guatemalan refugees in Mexico return to the country. We have even guaranteed humanitarian groups helping refugees so that they can monitor refugee conditions when they return to the country. The most recent step taken in this direction was the proposal for a consultation mechanism suggested by [name indistinct] Garrido to Mexican officials and drafted in a memorandum of understanding which the Foreign Ministry redrafted as a diplomatic note and which I personally delivered to the Mexican foreign secretary. [end recording]

MEXICO GAINS LAND ALONG SUCHIATIC RIVER

PA310428 Guatemala City EL GRAFICO in Spanish 30 Jul 84 p 3

[Article by Roberto Espinoza Perez]

[Text] Ciudad Hidalgo, Chiapas State, Mexico, 29 Jul -- Without a doubt, and although it was strongly denied in Guatemala City, the Guatemalan territory known as "La Isla" was lost when the Suchiatic River "swallowed it up." That river marks the Mexico-Guatemala border.

Colonel Jose Arturo Mendizabal, the Guatemalan consul in this city, confirmed this situation. Accompanied by Guatemalan and Mexican engineers from the Boundary and Territorial Waters Commission, Col Mendizabal inspected the entire region.

Following a visit to the border area, it was determined that "La Isla" territory has become Mexican territory according to treaties signed by the two countries. It was officially stated that this territory must be added to Mexican maps and removed from Guatemalan maps in compliance with the corresponding treaties.

The Mexican Government has been swift to act in this matter, sending officials to "La Isla" to grant legal status to the area residents, who immediately became Mexican citizens. In this fashion, Mexico acts to seize part of our national territory and its inhabitants. To many the area involved is too small to be important, but the precedent must be taken into consideration. At the appropriate time EL GRAFICO warned about this, but the matter was rediculed. It was explained that "there was nothing to fear." We are now awaiting a reaction from the government officials involved in this matter.

HONDURAS

ARMED FORCES CHIEF ON U.S. MILITARY AID AGREEMENT

PA311524 San Pedro Sula TIEMPO in Spanish 30 Jul 84 p 4

[Excerpts] In an exclusive interview for TIEMPO, Gen Walter Lopez Reyes, chief of the Honduran Armed Forces, has said that the Salvadoran Army will not participate in the military exercises being held here. He explained that it is not that El Salvador has been excluded, but that the relevant agreements were made bilaterally with the United States. He also said that the United States has not turned down Honduras' request that the 1954 military assistance treaty be revised.

The interview was as follows:

It seems that the Reagan administration is changing its policy toward Central America as the U.S. elections approach. Is this the reason for the change in attitude in the Honduran Armed Forces?

"No. It is difficult for us to meddle in the affairs of another nation. Honduras has simply tried to find its own position on foreign policy. I would say that we have taken a dignified step as a sovereign, free and independent nation. However, it is not possible to meddle in another country's affairs. Therefore, if a change is evident in Reagan's policy, it reflects only the interests of the United States."

What is your position on the Salvadoran guerrillas, given that your predecessor publicly declared war on them?

"We have our own national objectives and interests. We follow a policy that is subordinate to the nation's government. Naturally, if we are to discuss ideology we cannot always avoid stating opinions publicly. I can say that we in the Armed Forces will not permit foreign groups who are opposed to our traditions to subvert public order. In this sense, we do not shy away from the danger of the Salvadoran guerrillas, which have the support of another country. However, our duty is to keep our borders free from attack and to guarantee the security of our people."

General, it has been reported that regular maneuvers will be held here in August with the United States, and that the Salvadoran troops will be excluded at Honduras' request.

"Our plans for military exercises -- not maneuvers -- with the United States are ongoing and are small-scale; that is, they are exercises of short duration to give us practical training. They are rapid response exercises. This does not mean that we have excluded any friendly nation, but the agreements are bilateral with the United States and they will remain this way."

What changes is Honduras requesting in the military assistance treaty with the United States?

"Here my reply must be emphatic. I cannot make a statement on this. It is up to the president, through the foreign secretary, to reveal what is being revised."

Would the Armed Forces demand an end to the border disputes with El Salvador as a condition for continued cooperation?

"The Foreign Secretariat has already expressed its official opinion on the border situation. I believe that the Armed Forces, which are subordinate to the government, must follow the government's foreign policy."

What has the U.S. response to Honduras' desire to revise the military agreement been?

"There has been no negative attitude, because we solve our problems as friends and allies. The reason for this revision is that the 1954 treaty responded to a different situation. Times have changed and we must bring it up to date, for much time has passed since this agreement was reached. The changes only involve a just request by our country."

NICARAGUAN SAILORS' RELEASE HARMS NEGOTIATIONS

PA312320 Tegucigalpa EL HERALDO in Spanish 30 Jul 84 p 44

[Excerpts] A total of 14 Sandinist sailors, who were a substantial guarantee in the negotiations with Nicaragua, were released after paying fines at El Manchen post. The exchange of Honduran and Nicaraguan prisoners which was being negotiated by the Foreign Ministries of both countries was thus frustrated, to the detriment of several Honduran citizens held in Nicaraguan prisoners. The strange way the Nicaraguan sailors obtained their freedom should be investigated according to a source close to the authorities, since it has obstructed the exchange efforts under way between Honduras and the Nicaraguan Sandinist regime precisely at a time when relations between the two nations are tense due to the arms buildup and territorial violations carried out by the Nicaraguan Armed Forces. Elsewhere, it was reported that a large number of Hondurans are being held in Nicaraguan prisons, anxious to obtain their freedom.

NICARAGUA

THIRD ROUND OF TALKS WITH U.S. REPORTED

PA311930 Managua Radio Sandino in Spanish 1830 GMT 31 Jul 84

[Text] Mexico City -- Representatives of the U.S. and Nicaraguan Governments will begin a third round of talks today in the Mexican port of Manzanillo. The U.S.-Nicaraguan talks that Mexico is hosting began on 1 June, when U.S. Secretary of State George Shultz arrived in Nicaragua for a very brief visit, during which he held a short meeting with Coordinator of the Nicaraguan Junta of the Government of National Reconstruction Daniel Ortega.

A few days later Victor Hugo Tinoco and Harry Shlaudeman held a meeting in Manzanillo that was shrouded in complete secrecy. They met again in Atlanta, Georgia, on 16 July.

According to official sources cited by the Mexican daily EXCELSIOR, the talks will focus on procedural problems, such as where the next meeting will take place, the agenda that the delegations will discuss, and the participation of Mexico as an observer to the talks.

In principle, Nicaragua is demanding an immediate halt to the attacks on the Sandinist government that the CIA is promoting and carrying out, and an end to the economic and financial blockade that the Reagan administration has launched against Nicaragua from Honduras and Costa Rica. Observers have indicated that the main problems that the talks will face are the U.S. Government's insistence on helping the anti-Sandinists and the threatening statements made by the White House, which reveal a clear determination to continue the undeclared but open war on the Nicaraguan Government.

Communique on Talks

PA312255 Managua Radio Sandino in Spanish 2230 GMT 31 Jul 84

[Communique issued by the General Directorate of Information and Press of the Junta of the Government of National Reconstruction on 31 July]

[Text] We hereby report that today, Tuesday, 31 July, the representatives of Nicaragua, Companero Victor Hugo Tinoco, and the United States, Harry Shlaudeman, are meeting again in Manzanillo, Mexico, to continue Nicaraguan-U.S. talks begun in June. Thus, Nicaragua reiterates its willingness to participate in a process of serious and responsible negotiations with the U.S. Government leading to an eventual formalization of relations between the two countries within a framework of mutual respect and the right to self-determination.

ARTURO CRUZ DISCUSSES ELECTIONS, FSLN

PA311821 Managua LA PRENSA in Spanish 28-29 Jul 84 p 1

[Text] Nicaraguan democratic opposition leader Arturo Cruz, the only candidate who could have challenged the FSLN had it established the conditions necessary for truly free elections, will leave tomorrow on a 3-week tour to talk with U.S. politicians and European parliamentary leaders.

In a statement for LA PRENSA yesterday in which he referred directly to Daniel Ortega's accusation that he works for the CIA, Arturo Cruz said: "I have been accused of serving as an agent for U.S. imperialism simply because I proposed that a dialogue on national reconciliation take place. I knew what risk I was taking, even though the accusation has no foundation."

Cruz added that he is a nationalist and a patriot, not a demagogue. He stressed his democratic convictions and noted his sympathy with the U.S. people, "which does not render me a tool for the implementation of U.S. policy." He said that it is the Nicaraguans' task to solve their own problems, while expressing sorrow because the Nicaraguans no longer control their own country, the result of the guidelines pursued by the government.

Referring to the United States and the USSR, Cruz indicated that it is the great powers that are deciding Nicaragua's fate, regardless of the country's circumstances. He announced that he is leaving on Sunday for the United States, where he will make the final arrangements to leave the IDB; he added that he plans to talk with politicians and congressmen during the 3 weeks that he will be away, and that he will probably go to Europe to talk with democratic leaders there, as well.

"What I am trying to do is to preserve political pluralism in Nicaragua," Cruz said, adding that he does not plan to return with orders from either of the two imperialisms.

On the issue of the national dialogue that the Ramiro Sacasa Democratic Coordinating Board has proposed to the FSLN -- and which it did not accept -- Cruz said: "It would neutralize the U.S. plans to attack Nicaragua, while, at the same time, it would provide the U.S. Congress with a reason not to approve the funds for the rebels." Cruz added: "On principle, it would also force the rebels to call a halt to the armed struggle." When asked about the role of the parties that are running against the FSLN, Crúz said: "They don't mean a thing, because they are not the true Nicaraguan opposition, only the Independent Liberal Party could have stood up to the FSLN."

EL NEUVO DIARIO CRITICIZES COORDINATING BOARD

PA310422 Managua EL NUEVO DIARIO in Spanish 30 Jul 84 pp 1, 10

[Editorial: "Point No 10; Obando's Trip"]

[Text] Don Arturo (Cruz) and the Nicaraguan Democratic Coordinating Board have stated that they will participate in the elections if there is a guarantee that they will be held to establish democracy. But they will not participate if the elections will lead to the installation of a totalitarian dictatorship.

Since we all know that to Don Arturo and the Coordinating Board democracy is only what they view as such and that totalitarianism is anything produced by the FSLN, this means that as a condition for participating in the elections they want to be assured that they will win.

It seems that this is Point No 10 of the Coordinating Board's demands, and it is as impossible to comply with as Point No 9, which proposes a dialogue with the guardsmen.

To Don Arturo, the ideology of a government is determined by the number of trips which the officials of that government make to certain countries. Thus, he claims that the Nicaraguan Government is communist because there isn't a single minister or commander who has not gone to Cuba or the Soviet Union.

According to his logic, what would be the ideology of a government headed by Don Arturo, when his passport reflects not only numerous trips to Washington but he has spent most of his life in that country? Let's recall that Don Arturo, the Coordinating Board, and even Msgr Obando are always trying to "sell the idea" that they are anti-capitalists, anti-imperialists, and that liberalism is a sin.

With regard to the archbishop, in Friday's mass where he gave communion to the Coordinating Board's non-native (non-natos) candidates, he said that he thanked God for sending him men such as Don Arturo and that he should send more.

As far as we know, Don Arturo came from Washington, so we surmise that the bishop was referring to god-Reagan, and we also imagine that, according to what Don Arturo said, Msgr Obando is waiting for that same god to send others, who already have names: Pastora, Robelo, Calero, El Tigrillo [Encarnacion Valdivia], Enrique Bermudez, Alexio Gutierrez, El Chiguin Somoza, etc.

D'ESCOTO'S PAST, PRESENT ACTIVITIES DISCUSSED

PA270404 Managua LA PRENSA in Spanish 24 Jul 84 p 12

[Text] In response to some unfounded charges being made by the Sandinist media against Msgr Miguel Obando y Bravo, the archbishop of Managua, we have a report that was recently published by the Brazilian magazine VEIJA.

Under the title "A Hidden Past," this reputable Brazilian magazine, together with MANCHETE, the best weekly in Brazil, published a report dèclaring that Nicaraguan Foreign Minister Miguel D'Escoto "was used by the CIA against Salvador Allende's regime in Chile."

Although dated 24 August 1983, the article is of current interest because of its subject.

It says: "Before arriving at the Nicaraguan Government's Foreign Ministry, Father Miguel D'Escoto and his Sandinist companions traveled a complex path that ended with the overthrow of Anastasio Somoza's dictatorship in 1979.

"Recently, thanks to statements made by Edward Korry, U.S. ambassador to Chile until 1971, new facts were revealed about D'Escoto's path to power with the new Marxist government. It now seems that D'Escoto may have received help from the CIA along the way.

"According to Korry, D'Escoto is, to say the least, an old acquaintance of the U.S. espionage service. His name appears on a list of trusted persons at the U.S. Embassy in Chile, where the Nicaraguan priest lived in the 60's and early 70's.

"Another occasion on which Korry referred to D'Escoto was when a candidate in the Chilean elections in 1969 went to his office to thank him for the CIA's financial aid to his campaign, passed through D'Escoto.

"The CIA money received by D'Escoto also traveled a tortuous path. Late in the 50's, the cardinal at Santiago's Catholic Church, concerned about the growing power of the Chilean socialists and communists, asked the Vatican for help.

"The Holy See then sent Belgain Jesuit Roger Vekemals, who possessed such great organizational talent that shortly after he began his activities in Chile he came to be highly regarded by U.S. President John Kennedy and his brother Robert.

"Between 1958 and 1964 Vekemals developed the Belarmino Center, which operated in several nations, to secretly receive from John Kennedy $100 million that had been approved by the U.S. Congress, originally intended to aid the victims of an earthquake in Chile in 1961.

"To assist in distributing this money, Vekemals recruited D'Escoto who, according to Korry, was probably unaware of the source of the money he was distributing to promote Father Vekemals' anticommunist activities.

"In fact, D'Escoto's ties to U.S. officials also involved some of his relatives.

At the outset of the Reagan administration, D'Escoto's brother, who was Nicaragua's ambassador to London, was an informant for U.S. archconservative Senator Jesse Helms.

"While living in Chile, D'Escoto was opposed to Salvador Allende's leftist government. In a Maryknoll Order publication edited by D'Escoto, he even approved of Pinochet's coup d'etat, saying in an editorial: 'It was the only way to put an end to the irresponsible adventures carried out by the Allende administration.'

"With such behavior, D'Escoto apparently thought he could convince Jimmy Carter's government to help the Sandinists take power in Nicaragua.

"However, to D'Escoto's disappointment, Carter provided no aid to the Sandinists.

"That was the last time that Father D'Escoto and the U.S. Government met on friendly terms. Only weeks before Somoza lost power, the future foreign minister again visited Washington to ask for aid.

"By that time he had changed. He now carried a .45-caliber pistol, which he kept at the headboard of his bed. And Cuban books had already replaced the Bible."

EDEN PASTORA LEAVES PANAMA FOR MADRID

PA312219 Panama City ACAN in Spanish 2152 GMT 31 Jul 84

[Excerpt] Panama City, 31 Jul (ACAN-EFE) -- Guerrilla leader Eden Pastora, best known as Commander Cero during the Sandinists' struggle against Nicaraguan dictator Anastasio Somoza, left Panama today for Madrid aboard an Iberian Airlines plane. Pastora did not make any statement at the Omar Torrijos Airport in Panama.

Represents Cruz

PA010317 Paris AFP in Spanish 0249 GMT 1 Aug 84

[Text] Panama City, 31 Jul (AFP) -- It was reported here today that anti-Sandinist guerrilla leader Eden Pastora left for Spain "in order to seek international political support for the demands of Nicaraguan opposition."

Pastora is being accompanied by Alfredo Cesar, coordinator of the Recovery and Reconciliation Movement. In addition, the two represent opposition presidential candidate Arturo Cruz, who remains in Managua.

Sources of the movement have reported that Pastora and Cesar also plan to visit Italy, Portugal, and the FRG in order to seek "the support of the principal European political leaders in the struggle for the democratization of Nicaragua."

BRIEFS

FDN MEMBERS SENTENCED -- Six Nicaraguan Democratic Force, FDN, members were sentenced to between 5 and 8 years in prison last week. The Anti-Somozist Popular Tribunals sentenced Narciso Silva, Arcadio Ortiz, and Milton Silva to 8 years, while Orlando Napoleon Molina Aguilera, Orlando Antonio Mendoza Laguna, and Daniel Antonio Aguilar Zapata were sentenced to 5 years. The six men have been accused of violating the public order and security law. [Summary] [Managua Radio Sandino in Spanish 1830 GMT 31 Jul 84 PA]

TALKS BEGIN WITH U.S. ON IMMIGRATION MATTERS

FL011150 Havana Television Service in Spanish 1105 GMT 1 Aug 84

[Text] Cuba's Foreign Ministry has confirmed that government representatives from Cuba and the United States have started talks on immigration problems between the two countries. The talks are being held in New York City.

Deputy Foreign Minister Ricardo Alarcon heads the Cuban delegation as he did during the first round of talks held 12-13 July in New York City.

The talks were agreed to after Reverend Jesse Jackson's visit to Cuba and after Cuba agreed to study these matters on the basis that the talks would be supported bipartitely by the United States

FIDEL, RAUL CASTRO MEET WITH CARLOS ROLOFF BRIGADE

FL311240 Havana Domestic Service in Spanish 1045 GMT 31 Jul 84

[Text] Our commander in chief has held a fraternal, pleasant meeting with the members of the second contingent of the Polish Carlos Roloff Brigade in the Palace of the Revolution in this capital. Army General Raul Castro Ruz, second secretary of the party Central Committee and FAR minister, conversed with the 160 young Poles, who have been visiting Cuba for the past several days.

Also present were Cuban party and Government leaders Division General Senen Casas Regueiro, president of the Cuban-Polish Friendship Association, and his counterpart Stanislaw Jarzabek, who is also Polish ambassador to Cuba.

The members of the brigade gave our commander in chief numerous stamps, a plate, and ancient Polish weapons. They gave Army Gen Raul Castro a saber.

Fidel wrote in the following message in the album of the brigade: For the Carlos Roloff Brigade, which is visiting Cuba for the second time, leaving us with a deep and indelible memory of friendship and solidarity.

ACCORD SIGNED WITH POLISH FRIENDSHIP SOCIETY

FL311532 Havana Domestic Service in Spanish 1045 GMT 31 Jul 84

[Text] A friendship and cooperation agreement between the Polish-Cuban and Cuban-Polish Friendship Societies was signed last night in the Palace of the Revolution by the presidents of the two societies. The signing ceremony took place in the presence of Army General Raul Castro, second secretary of the party Central Committee, and FAR minister.

Division General Antoni Jasinski, member of the Central Committee of the Polish United Workers' Party, vice minister of national defense, and chairman of the Polish-Cuban Friendship Society, and Senen Casas, alternate member of the Politburo, first vice minister of the FAR, and president of the Cuban-Polish Friendship Society, signed the document.

The agreement calls for the carrying out of many varied activities that tend to strengthen friendship and cooperation between the Polish and Cuban peoples, including the celebration of the national holidays of the two nations, the exchange of delegations, and the strengthening of ties between the friendship societies of the two countries.

AGREEMENT SIGNED WITH CZECH SOCIALIST REPUBLIC

FL312127 Havana Television Service in Spanish 1700 GMT 31 Jul 84

[Text] A cooperation agreement between Cuba and the Czech Socialist Republic was signed in the Protocol Hall of Havana's Sierra Maestra Hotel. Cuban Minister of Domestic Trade Manuel Vila Sosa and Czech Minister of Trade Antonin Jakubik signed the accord.

Among other matters, the agreement includes the process of stepping up the export of Cuban products to attain a balance of trade between the two countries in the least amount of time possible. Agreement to broaden cooperation in 1984 in the hotel-restaurant industry was also reached with the opening of a typical Czech restaurant in Cuba.

The Czech side also asked that Cuba study the supply plan of products destined for shops in Czechoslovakia.

Present at the ceremony were Joel Domench, vice president of the Council of Ministers, and other party and government leaders.

After signing the accord, the Fernando Chenard Pina medal was bestowed upon Comrade Jakubik. This medal was awarded by the National Hotel and Restaurant Workers Union [SNTCG] for the Czech minister's meritorious work. Rene Lara Moreno, secretary general of the SNTCG, presided over the ceremony along with other party and government leaders.

C.R. RODRIGUEZ RECEIVES SPANISH TRADE OFFICIAL

FL311610 Havana Domestic Service in Spanish 1000 GMT 31 Jul 84

[Text] Carlos Rafael Rodriguez, member of the Politburo and vice president of the Councils of State and Ministers, has received Mr Luis Velasco Rami, Spanish secretary of state for trade. Velasco Rami is in Cuba as the head of a Spanish delegation that is participating in the conversations being held within the framework of the Spanish-Cuban Joint Intergovernmental Committee.

During the meeting, information and opinions were exchanged on the possibility of increasing bilateral trade and economic cooperation, and the willingness of both governments to do so was reaffirmed.

Today, the Spanish-Cuban Joint Intergovernmental Committee will meet in Havana to continue the work that it began on Monday. The Cuban delegation is headed by Foreign Trade Minister Ricardo Cabrisas.

Last year, Spain held the first place in Cuban trade with countries with free market economies, followed by France and Japan, which held second and third place, respectively.

ANGOP REPORTS UNITA CASUALTIES IN CLASHES

PA010300 Havana International Service in Spanish 0000 GMT 1 Aug 84

[Text] ANGOP, the Angolan news agency, has reported that defense and security forces have annihilated approximately 300 members of the National Union for the Total Independence of Angola [UNITA] counterrevolutionary band in recent clashes. The news agency added that the most important clashes occurred in the province of Cuando-Cubango in the country's southwest and that many weapons were seized. ANGOP also reported that U.S.-made explosive mines were to blame for explosions that damaged two ships in the bay of Luanda, the capital. This action was aimed at obstructing the process of delivering food to Angolans.

U.S. EMBASSY SILENT ON BOLIVIAN COUP ALLEGATIONS

PA010258 Havana International Service in Spanish 1800 GMT 31 Jul 84

[Text] The U.S. Embassy in La Paz has refused to reply to charges linking it with the coup attempt of 30 June, a frustrated antigovernment plot that began with the kidnapping of Bolivian President Hernan Siles Zuazo.

Reinaldo Venegas, a right-wing politician involved in the incidents, told authorities that the U.S. Embassy knew about the plans for the coup at least 10 days before 30 June.

As result of Venegas' statements, the Bolivian Labor Federation has asked the government to demand an explanation from U.S. Ambassador Edwin Corr, who has so far refused to say anything.

U.S.-NICARAGUA TALKS RESUME IN MEXICO

FL312332 Havana Domestic Service in Spanish 2300 GMT 31 Jul 84

[Text] Representatives of the United States and Nicaragua have resumed talks at the Mexican port of Manzanillo. Mexico City's daily EXCELSIOR reported that this meeting will take up matters dealing with procedures to formalize an agenda for the negotiations. According to the source, Nicaragua's main interest is national security, which is threatened by counterrevolutionary forces operating from Honduras and Costa Rica, and the mining of its ports with U.S. support.

NICARAGUA'S D. ORTEGA ACCUSES U.S. AMBASSADOR BERGOLD

FL280132 Havana Television Service in Spanish 0000 GMT 28 Jul 84

[Text] Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction of Nicaragua, has accused U.S. Ambassador to Managua Harry Bergold of having pressured the opposition parties to abstain from participating in the upcoming November elections.

The Sandinist leader -- after his official registration as candidate -- said today that the U.S. Government has arranged for the abstention of the Democratic Coordinating Board to continue justifying its policy of aggression against Nicaragua. Ortega said that the decision not to participate in the elections was also related to the fear of suffering a crushing defeat, and he reiterated the Nicaraguan decision to hold elections is firm.

D. ORTEGA SAYS ARTURO CRUZ IS CIA AGENT

PA290315 Havana International Service in Spanish 0000 GMT 29 Jul 84

[Text] Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction of Nicaragua, has directly accused Arturo Cruz of being an agent of the CIA, sent by that espionage organization to fulfill a counterrevolutionary mission.

Arturo Cruz, an official of the IDB, traveled to Managua from Washington after being nominated as presidential candidate for the so-called Democratic Coordinating Board, but he declined the nomination when the Sandinists refused to agree to a national dialogue with the participation of counterrevolutionary leaders. Ortega said that Arturo Cruz came to Nicaragua to make the Coordinating Board a direct instrument of the government of Ronald Reagan.

Now, the Sandinist leader added, that CIA agent will return to the United States to carry out the second phase of his mission: to tour the United States, accompanied by other traitors, to try to justify not only the Reagan policy but also the possibility of a direct invasion of Nicaragua.

NICARAGUAN EDUCATION MINISTER DISOBEYS JESUITS

PA311540 Havana International Service in Spanish 1600 GMT 31 Jul 84

[Text] Father Fernando Cardenal, Nicaragua's new education minister, has said in Managua that he will continue to work in any political position that he is offered, despite orders from the Jesuits forbidding him to hold such positions. Cardenal said that the pressure being exerted by his religious order is a political matter and not the result of a religious problem. He also said that he had been pressured in the past to give up positions with the National Education Drive, the 19 July Sandinist Youth Movement, and the Sandinist Committees. Father Cardenal concluded by noting that in Nicaragua, as in any other country, the Bible requires that we work for and support causes such as that undertakne by the FSLN in his country.

GROUP BACKS SANDINISTS ON RELIGIOUS FREEDOM

FL311340 Havana Domestic Service in Spanish 1403 GMT 30 Jul 84

[Text] The fifth Monsignor Romero solidarity meeting was inaugurated in Managua, Nicaragua demonstrating that the Sandinist government does provide guaranteed religious freedom.

A statement read before more than 200 people at a meeting warned against secret plotting and underhanded subversive tactics which try to destroy the peoples, country and organizations.

The statement added that the solidarity expressed on this historic occasion, is the power which the conscious unit of Latin American people should provide toward reaching a better future. The statement said the church would continue to fight on behalf of the poor.

At the fifth Monsignor Romero solidarity meeting, held in Nicaragua, the elderly Archbishop of Cuernavaca, Mexico's Sergio Mendez, reiterated that the duty of a priest is to be with the people in their struggles and victories.

NICARAGUAN VOTER REGISTRATION EXCEEDS GOAL

PA010248 Havana International Service in Spanish 1800 GMT 31 Jul 84

[Excerpt] The Nicaraguan daily BARRICADA has reported that counterrevolutionary elements murdered 8 peasants and kidnapped 14 others in Matagalpa Department to keep them from registering for the elections. The same band tried to occupy the registry board in the (Yale) community, but two electoral policemen on guard protected the documents and evacuated the civilian personnel.

Other Nicaraguan press reports reveal that three counterrevolutionaries recently died in combat with forces of the Sandinist people's army in Jinotega Department on the Honduran border.

The president of the Supreme Electoral Council of Nicaragua, Mariano Fiallos, reported that by Monday, the 4th and last day to register, nearly 1,360,000 persons had registered throughout the country. Fiallos added that the figure exceeded the Electoral Council's goal, fixed at 1,250,000.

EGP SPOKESMAN CRITICIZES 'ELECTORAL FARCE'

PA311704 Havana International Service in Spanish 0000 GMT 31 Jul 84

[Text] The lack of confidence that the Guatemalan people feel in elections in that Central American country was made evident in the recent electoral farce, in which 20 percent of the voters cast blank ballots and a third of the registered voters did not vote at all.

In an interview with Havana Radio, Julian Perez of the Guatemalan Poor People's Guerrilla Army [EGP] referred to this issue, declaring that his people have not been fooled and stating that they have become convinced that the only available alternative is that offered by the Guatemalan National Revolutionary Unity [URNG]: the creation of a revolutionary, popular and democratic government. Perez added that the Guatemalan regime's recent electoral process was primarily intended to garner additional U.S. assistance for use in pursuing its counterinsurgency plans. He noted that Mejia Victores' regime is becoming more isolated every day within the international community because of the overwhelming repression practiced in that Central American country.

LIBYA TO PROTEST OVERFLIGHTS BY U.S. AIRCRAFT

PA282021 Havana International Service in Spanish 1600 GMT 28 Jul 84

[Text] The penetration of airplanes from the U.S. 6th Fleet over Libyan territorial waters is a flagrant, deliberate aggression and we are going to defend ourselves at all costs, the Libyan news agency JANA stated in response to several U.S. CASA airplane flights over the Gulf of Sidra. In a dispatch from JANA, it is warned that Libya will present a complaint over this new U.S. intervention into its affairs and will send a document stating this to the UN Security Council.

SPAIN'S ALFONSO GUERRA VIEWS NATO ISSUE

PA281852 Havana International Service in Spanish 1600 GMT 28 Jul 84

[Text] Spanish Deputy Prime Minister Alfonso Guerra has said in Madrid that it is absolutely impossible for his country to be fully incorporated into NATO inasmuch as this would contribute nothing to national defense. In statements to the newspaper EL PAIS, Guerra said that a referendum on the issue will be called. However, according to Guerra's statements, the alternative is for Spain to either continue as a member of NATO's political committee or withdraw from the organization. He said the debate consists in that we can remain as we are or withdraw from NATO, but not in our belonging to its military structure. Simultaneously with Guerra's statements, the results of a poll carried out by the Spanish Communist Party were revealed and it shows that 70 percent of the Spanish people are against Spain's remaining in NATO.

CHILEAN OPPOSITION PARTIES STUDYING MERGER

PA292103 Havana International Service in Spanish 0000 GMT 29 Jul 84

[Text] The Chilean Christian Left has proposed an agreement between the two largest opposition groups -- the Democratic Alliance [Alianza Democratica] and the People's Democratic Movement, MDP. The proposal has three fundamental points: signing a constitutional pact, creating a board for the opposition's political unification, and creating provincial unified political committees.

The Christian Left Party is part of the socialist bloc that make up the center-right Democratic Alliance. [as heard]

Meanwhile, Communist leaders Rene Largo Farias, Osiel Nunez, and Luis Godoy, who were expelled from Chile by the military regime on 24 July, tried in vain to return to their homeland. Avianca airline would not let them board the plane to Chile at Bogota's airport. According to airline officials, the Chilean regime threatened to fine the airline if the Chilean leaders were allowed on the flight.

PERUVIAN ARMED FORCES CITED ON GUERRILLAS

PA301710 Havana International Service in Quechua 2200 GMT 23 Jul 84

[Text] The Peruvian Government has decided that the Armed Forces must continue to fight the armed groups that operate in various parts of the country, including Ayachucho.

The weekly left-wing publication EL BUHO has reported that the Peruvian Armed Forces do not wish to remain in charge of the antiguerrilla struggle, as the current regime will only be in office 1 more year. The weekly notes that another factor affecting the Armed Forces' viewpoint is that the government has no popular support.

Another publication, the daily OIGA, has condemned the killing of 21 people who were found in a common grave in Ayachucho. It is not known who carried out the mass burial.

URUGUAY EASES RESTRICTIONS ON BROAD FRONT

PA272031 Havana International Service in Spanish 1600 GMT 27 Jul 84

[Text] The Uruguayan military regime has partially reinstated the leftist coalition Broad Front and some 7,000 of its members, who had been outlawed for the last 10 years. The decree includes the Christian Democratic Party, ocialist Party, and independent groups; however, it excludes the Communist Party and other Broad Front groups which the military government believes are linked to the Tupamaro national liberation movement. The decree was issued as a result of the negotiations between the military regime and political parties in Uruguay aimed at restoring democracy.

The Broad Front will be able to participate, as it did in 1971, with the Christian Democratic Party's slogan in the elections promised for next 25 November.

It was also learned that Uruguayan Tupamaro leader Adolfo Wassen, who has been in prison for 12 years, continues in a grave state of health in a cell at the military hospital in Montevideo. The government has not given in to the demands for his release. Wassen has cancer; he started a hunger strike on 30 June demanding a general amnesty.

BRIEFS

NEW AMBASSADOR TO HUNGARY -- The vice president of the Presidential Council of the Hungarian People's Republic today received new Cuban Ambassador to Hungary Euclides Vazquez Candela, who presented his credentials. [Excerpt] [Havana Domestic Service in Spanish 2130 GMT 23 Jul 84 FL]

IMF ACCORD TO ALLOW RESCHEDULING OF FOREIGN DEBT

WA301410 Rome IPS in English 30 Jul 84

[Text] Santo Domingo, July 30 (IPS) -- The Dominican Republic is close to signing an agreement with the International Monetary Fund that will not include a loan but will give the country the IMF's stamp of approval, government sources said here today. The accord, though not providing money directly to this Caribbean nation of six million people, will allow the Salvador Jorge Blanco government to begin negotiations to reschedule its $3 billion foreign debt. "It will give us the green light to renegotiate the public debt with the Club of Paris, especially the United States and Spain, the nation's biggest creditors," said chief presidential adviser Luis Orlanda Haza.

Negotiations between the Dominican Republic and the IMF have been rocky and bitter, with riots erupting throughout the country in late April, after the government began meeting the Fund's policy prescriptions by removing subsidies for basic foods. The current talks have centered on the second phase of a $450 million extended fund facility signed in early 1983. After the April riots, which left over 60 people dead, the government temporarily broke off discussions with the Washington-based lender.

But President Jorge Blanco has maintained that the Dominican Republic has nowhere else to turn to but the IMF, especially since foreign creditors have conditioned rescheduling talks on an accord with the Fund. And without the agreement, Haza said, the Dominican Republic would have to face payment of all its foreign commitments this year, leaving the country with an $870 million foreign reserve deficit. With an IMF agreement, and assuming successful negotiations with the Paris Club, he predicted a $20 million deficit.

But most local analysts caution that the subsidies on basic goods and food will not be reimposed, and that oil imports will have to be purchased with dollars obtained on the parallel market, at three times the official exchange rate. The Dominican Republic imports about $500 million worth of oil each year, which hitherto the Central Bank financed with dollars obtained at the official one-peso-to-one-dollar exchange rate. Thus, local analysts predict the cost of oil after the accord is reached with the Fund will rise some 300 percent, with subsequent price increases in the transport and energy sectors. Such drastic price rises were at the heart of the bloody April riots and the country's trade unions and leftist political forces have warned that more violent protests could be in store.

AMBASSADOR TO TAIWAN ACCUSED OF SMUGGLING

OW300637 Tokyo KYODO in English 0628 GMT 30 Jul 84

[Excerpts] Tokyo, July 30, KYODO -- Dominican Republic Ambassador to Taiwan Tancredo Duluc, suspected of having smuggled 133.3 million dollars worth of stimulant drugs to Japan, used two diplomatic passports for the drug trafficking, police sources said Monday. The sources said Duluc was suspected to have allowed a runner for an international drug ring to use a doctored Dominican diplomatic passport for bringing stimulant drugs into Japan. Duluc, the Dominican Republic's envoy to Taiwan since December 1982, is also believed to have smuggled 163 kilograms of stimulant drugs into Japan on four trips over a five-month period.

Police sources said Duluc's involvement in drug running was substantiated through interrogation of 12 members of an international drug ring arrested in Japan. Duluc, however, has denied his involvement in the drug running operation and claimed he had lost "a long time ago" the diplomatic passport believed used by the drug ring runner in smuggling stimulant drugs to Japan.

CARICOM-UK IMPORT-EXPORT FIGURES RELEASED

FL301802 Bridgetown CANA in English 2026 GMT 29 Jul 84

[By Irvine Reid]

[Text] Bridgetown, Barbados, July 29, CANA -- The value of exports to the United Kingdom from five Caribbean Community (Caricom) countries during the first five months of this year rose by 23 million pounds sterling, while money spent on imports declined by 69.9 million pounds sterling, according to figures released here.

The five Caricom countries are Jamaica, Trinidad and Tobago, Guyana, the Bahamas, and Barbados.

Figures released by the British High Commission show that for the period January to May this year, exports by the five stood at 118.1 million pounds sterling, against 95.1 million for the same period last year. The countries' imports from the UK declined from 167.1 million pounds sterling in 1983 to 97.2 million.

Oil rich Trinidad and Tobago's exports to the UK increased by 21.6 million pounds sterling, moving from 31.5 million to 53.1 million. Exports from the UK to the twin-islands declined by 17 million pounds sterling, dropping from 58.9 million to 41.9 million.

Exports from Guyana to the UK during the first five months of this year increased by 10.7 million pounds sterling, going from 13.6 million pounds sterling to 23.9 million. Guyana's imports from the UK were valued at 6.6 million pounds sterling, compared with 6.2 million pounds sterling for January-May last year, an increase of 0.4 million.

Exports from Barbados to the UK from January to May this year stood at 726,000 pounds sterling, compared with 617,000 for the same period last year, a decline of 107,000 pounds sterling. Barbados' imports from the UK this year were put at 12.7 million pounds sterling, as against 11.5 million for the same period last year, an increase of 1.2 million.

Exports from Jamaica to the UK increased by 1.6 million pounds sterling, moving from 30.9 million to 32.5 million. Imports declined by 66.1 million sterling, dropping from 85.5 million to 19.4.

Exports by the Bahamas to the UK during the first five months of this year declined by 10.6 million pounds sterling, plunging from 18.5 million to 7.9 million. Imports increased by 11.6 million pounds sterling, moving from five million pounds in 1983 to 16.6 million.

DOMINICA

JAMAICA'S GALLIMORE COMMENTS ON SOCIALISM

FL302015 Bridgetown CANA in English 1749 GMT 30 Jul 84

[Text] Roseau, Dominica, July 30, CANA -- Jamaica's Minister of State responsible for External Affairs and Trade Dr Neville Gallimore has called for a closer unification of conservative moderate parties within the region to combat what he termed the socialist development. Delivering the feature address at the 16th annual convention of the ruling Dominica Freedom Party (DFP) in Marigot, 37 miles north of here, yesterday Dr Gallimore warned that the socialist and communist movements were working together to achieve their aims.

"They are always thriving to see that their cause and the system they believe in succeed," he told hundreds of supporters of the DFP. "We the moderates need to start to work more closely together, we need to meet more, talk more, and help each other." Dr Gallimore was deputising for Jamaica's Prime Minister Edward Seaga who was originally scheduled to address the convention. Dr Gallimore said Seaga had to remain in Jamaica to help end an industrial issue involving the country's light and power company, but indicated that he would be visiting the island before year end.

He warned that while freedom was difficult to achieve "it is much more difficult to maintain." He said there were "forces" planning to destabilise the country and appealed to those present to be ever vigilant. "I know right now, not just in Dominica, but outside of Dominica there are forces planning against the government and people of Domonica," Gallimore said. "What is it the socialist and socialism have to offer, what did they offer Grenada, Jamaica, and what will they offer you if you allow them to raise their heads here?" he asked. He said that in the cause of Jamaica "they offered Cuban domination."

"You don't have to be hung to feel how it is; make our hanging be an example to you; let what happened in Grenada be an eye-opener for you," he said.

GRENADA

NEW LEFT-WING PARTY TO PARTICIPATE IN ELECTIONS

FL310035 Bridgetown CANA in English 2307 GMT 30 Jul 84

[Text] St George's, Grenada, July 30, CANA -- The Maurice Bishop Patriotic Movement (MBPM), a leftwing party named after a slain Grenada prime minister, today formally announced its intention to contest the next general elections, expected before the end of this year. The MBPM, which was recently formed by former government Ministers Kenrick Radix and George Louison, said in a statement that it had taken the decision to contest the elections "as a result of the call by thousands of our supporters and after a very careful look at the political situation."

The party described itself as the only one which represents "the true interest of the Grenadian workers, farmers, women, youth, and all genuine progressives and democrats." According to the statement, only the "patriots" who make up the MBPM membership have the organisational skills, courage, and experience "to fight the return of Gairyism." This is a reference to the policies of ex-Prime Minister Sir Eric Gairy, whose Grenada United Labour Party (GULP) government was toppled in a leftwing 1979 coup by the New Jewel Movement (NJM) of which Radix and Louison were members."

The MBPM also launched an attack on the three moderate political parties now engaged in talks aimed at forming a coalition to contest the elections on a common platform. It said the last fifteen years of politics in Grenada have shown that the people involved in the Grenada National Party (GNP), the Grenada Democratic Movement (GDM), and the National Democratic Party (NDP) cannot fight and defeat "Gairyism." Additionally, the MBPM stated that those who have "rushed into the country," eager to replace the People's Revolutionary Government (PRG) which was ousted in a bloody coup in which Bishop was killed, have shown no real interest in poor Grenadians.

POLICE COMMISSIONER DISCUSSES FORCE STRENGTH

FL302017 Bridgetown CANA in English 1740 GMT 28 Jul 84

[Text] St George's, Grenada, July 28, CANA -- The Grenada Police Force, deemphasised in favour of the Army four years ago by the leftwing People's Revolutionary Government (PRG), is expected to be around 430 strong by year end, it has been announced here. Commissioner of Police Mervyn Holder said that since he assumed office last December some 153 policemen have been trained to strengthen the force, which at the time stood at 291 men.

Addressing a ceremony marking the passing out of an additional 30 recruits, the Barbados-born Holder said it was hoped that by year end over 300 officers would have received training here and at the regional police school in Barbados.

The authorities here are looking towards a strong Grenada police force to maintain law and order instead of a standing Army, which was disbanded with the fall of the PRG last October. Since then several police stations which were closed by the PRG have been re-opened and others have been refurbished with British aid.

JAMAICA

U.S. BAUXITE PURCHASE NOT PART OF IMF PACT

WA271440 Rome IPS in English 25 Jul 84

[Text] Kingston, July 25 (IPS) -- Jamaica's agreement with the International Monetary Fund does not contain any requirement for bauxite purchase by the United States for its strategic mineral stockpile, according to Minister of Mining and Energy Hugh Hart. Hart was quoted in THE GLEANER newspaper today as saying no further contract was being negotiated with the General Services Administration (GSA) for bauxite purchases.

He was responding to a claim by the opposition People's National Party (PNP) that without a new bauxite purchase agreement with the United States, there would be need for further cuts in public spending, and thus more job cuts in the civil service. According to the PNP, projections in Jamaica's June IMF agreement included a $16 million sum from sale of bauxite to the U.S. Government.

Jamaica's application for a $143 million loan from the fund was approved last June. Its conditions include public spending cuts and tax increases to bring down the budget deficit from 15 percent of gross domestic product to about 8.3 percent.

The Reagan administration, a strong supporter of the conservative Jamaica Labour Party Government here, has arranged for the GSA to make two purchases of Jamaican bauxite. One agreement signed in 1981 provided for purchase of 1.6 million tons of ore. This was paid for in cash, and partly in commodities.

The second contract was a cash-and-barter arrangement for purchase of one million tons of bauxite for cash and another one million tons in exchange for butter and milk powder. The milk powder was later replaced by wheat. Hart said this second contract had almost been fulfilled. Jamaica is to provide about 100,000 more tons of ore to the United States by the end of August.

The minister stressed that no further contract was being negotiated at this time. "We cannot rely on GSA forever. We have to go out and seek other markets."

ST VINCENT AND THE GRENADINES

NEW PRIME MINISTER ON TRADE, TOURISM, LAND REFORM

FL302358 Bridgetown CANA in English 2247 GMT 30 Jul 84

[Text] Port-of-Spain, Trinidad, July 30, CANA -- St Vincent's newly elected Prime Minister James Mitchell says that he is giving priority to trade, tourism, and land reform. According to Mitchell, the proposed land reform programme is to "create a property-owning democracy."

In an interview with the EXPRESS newspaper, Mitchell said: "Our first priority would be to try to sort out the problems of Caricom (the Caribbean Community), which particularly means the problem of trade." Mitchell, in the telephone interview published yesterday, said that "it's either we're going to trade with one another or Caricom is going to recede."

Mitchell, whose New Democratic Party (NDP) took nine of the 13 seats at stake in election last Thursday and swept aside the Milton Cato government, said: "Trade is the main vehicle of regional integration. I hear people talking about regional health plans leading up to the year 2000 but I think that's just pie in the sky."

Mitchell said he got the impression, for example, that the Caricom agricultural marketing portocol has been shelved. "I can't understand that. With so much food being grown in St Vincent and with markets like Trinidad and Barbados in need of food, we have got to keep the emphasis on agriculture alive." Mitchell said he was going to get St Vincent's agriculture "moving, and going into agro-industry."

He added that one of the "sad things" about the situation in his country is that "the leader of the opposition is not kept informed about the details of regional conferences but has to rely on what he reads in the press." He said: "In my ten years in the opposition, I haven't seen Caricom do anything for anybody in this country and I can well imagine that would be true for the vast majority of people in the Caribbean." Sometimes, Mitchell was quoted as saying, "I think the biggest industry in the Caribbean is the conference industry, with people simply going from one conference to the next and agreeing only to meet again."

The new prime minister said he was not surprised by his victory "because of our excellent party organisation and because the mood of the people was for change."

Mitchell said he looked forward to warm relations with the Government of Trinidad and Tobago.

NEW NINE-MINISTER CABINET SWORN IN 30 JULY

FL310031 Bridgetown CANA in English 2325 GMT 30 Jul 84

[Text] Kingstown, St Vincent, July 30, CANA -- A new nine-man cabinet was today sworn in here to manage the affairs of St Vincent and the Grenadines over the next five years, following the defeat of former Prime Minister Milton Cato's St Vincent Labour Party (SVLP) in last Wednesday's general election here.

James Mitchell, whose New Democratic Party (NDP) won a 9-4 majority in the 13-seat parliament and who was last Thursday appointed prime minister, will also hold the portfolios of foreign affairs and finance.

Five of the other eight elected parliamentarians are full-fledged ministers with three as minister of state.

The full ministerial appointments are:

James Mitchell	-- Prime Minister, Minister of Foreign Affairs and Finance
Edward Griffith	-- Minister of Trade, Industry, and Agriculture
John Horne	-- Minister of Tourism, Information, and Culture
Burton Williams	-- Minister of Communications and Works
Allan Cruickshank	-- Minister of Education and Health
David Jack	-- Minister of Housing, Labour, and Community Development
Jeremiah Scott	-- Minister of State in the Ministry of Housing, Labour, and Community Development
Herbert Young	-- Minister of State in the Ministry of Education and Health
Marcus Defreitas	-- Minister of State in the Ministry of Trade, Industry, and Agriculture

Mitchell said he will announce two other appointments within a couple of days. They are expected to be those of attorney general and minister of legal affairs and speaker of the House of Assembly.

TRINIDAD AND TOBAGO

TALKS BEGIN WITH BRAZIL ON BILATERAL COOPERATION

FL301634 Bridgetown CANA in English 1824 GMT 27 Jul 84

[Text] Port-of-Spain, Trinidad, July 27, CANA -- Trinidad and Tobago and Brazil have begun talks on stepped-up bilateral cooperation, an official statement here said last night.

Brazilian Ambassador Fernando Cesar de Bittencourt Berenguer met here yesterday with Trinidad's Minister of Agriculture, Lands and Food Production Kamaluddin Mohammed. A statement from the ministry said the talks focussed on possible areas of cooperation in agriculture research and development. Areas of special interest included forestry, agronomic work in cocoa and coffee, production of ornamentals, and "various possibilities for institutional collaboration in agricultural research."

The statement said some consideration was also given to possible ways and means of assistance to Trinidad and Tobago in facilitating the export of surpluses in pig and poultry production.

It was also agreed that the status of existing agreements on technical cooperation would be examined after appropriate information had been exchanged between officials from both sides, the statement added.